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99TH CONGRESS, *2d Session* } SENATE { REPORT 99-406

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1987

AUGUST 14 (legislative day, AUGUST 11), 1986.—Ordered to be printed

Mr. ABDNOR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 5294]

The Committee on Appropriations, to which was referred the bill (H.R. 5294) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1987, and for other purposes, reports to the Senate with various amendments, and presents herewith information relative to the changes recommended.

Amount of bill as passed by House	$13,651,757,000
Amount of decrease by Senate	−360,894,000
Amount of bill as reported to the Senate	13,299,227,800
Amount of estimate	12,856,230,000
The bill as reported to the Senate:	
Above the appropriations provided in 1986	+249,562,800
Over the estimates for 1987	+434,632,000
Below the House bill	−360,894,000

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General Statement and Summary of the Bill

The accompanying bill contains recommendations for new budget (obligational) authority for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies.

The Committee considered budget estimates for fiscal year 1987 in the gross amount of $12,856,230,000. Compared to that amount the accompanying bill recommends new budget authority totaling $13,299,227,000, which is $434,632,800 more than the amount requested by the administration.

REPROGRAMMINGS

The departments and agencies funded by this act are directed to comply with the reprogramming guidance printed below.

The guidance applies to those actions which represent a significant shift in program direction resulting in changes in the distribution of resources as presented to and approved by the Congress. Effective with the date of enactment of this bill the approval of the House and Senate Committees on Appropriations shall be required for any such action when the amount involved is in excess of $500,000, or 10 percent, whichever is greater, in any object class, budget activity, program line, or program activity. Lesser amounts will also require reprogramming approval if it is clear that such an action would result in a major change contrary to the program presented to and approved by the Congress or if the cumulative effect of past reprogramming actions and a specific new action under consideration would have the effect of exceeding the dollar limitation discussed above.

Requests for approval of reprogrammings will be submitted to the Office of Management and Budget and the Appropriations Committees but no action shall be taken by the agency until the request has been approved by both the House and Senate Committees on Appropriations.

These instructions apply only to funds included in appropriations accounts and the Federal Buildings Fund. It excludes revolving funds since revolving fund programs are generally based on demands from external sources and changes to them do not represent a conscious change in program emphasis—the basic reason for requesting approval for reprogramming.

The justifications for proposed reprogramming actions need to be clear and as strongly supportive as the original budget request. Except in extraordinary circumstances reprogramming proposals will not be ac-

cepted with less than 45 days left in the fiscal year nor will they be accepted for actions to reverse previous congressional actions.

TRANSFER OF FUNDS BETWEEN APPROPRIATION ACCOUNTS

The administration has requested limited authority for the Secretary of the Treasury and the Administrator of General Services to transfer funds between appropriation accounts of the Department of the Treasury and General Services Administration, respectively. For the Secretary of the Treasury, a 5-percent transfer authority is being requested, while the Administrator of GSA is requesting authority to transfer up to 3 percent between appropriation accounts.

The Committee has approved the request of the Department that they be granted authority to transfer up to 1 percent between appropriations accounts, but only upon prior approval of the respective Committees on Appropriations. The Committee has also recommended that the Administrator of General Services be allowed to transfer up to 1 percent between appropriation accounts during fiscal year 1987. These transfers will be requested only in emergency situations when the need for such transfer is unforeseen and absolutely critical to the mission supported by the affected appropriation account, and only after authority has received the express approval of both the House and Senate Committees on Appropriations.

The Committee is concerned that in the past even such limited transfer authority has been overutilized and often used by the agencies for reorganizations that have major policy implications. Such transfers are interpreted by the Committee as circumventing the appropriations process and will not be tolerated. Nevertheless, the Committee acknowledges that circumstances do arise during the course of a year whereby a shift of small amounts of money from one account to another at Treasury and GSA could make a significant impact on the agency's ability to address unforeseen contingencies. Therefore, the Committee has granted limited transfer authority for fiscal year 1987 as outlined above.

COMMITTEE PROCEDURES REGARDING REPORT LANGUAGE

Any limitation, directive, or earmarking contained in either the House or Senate report, which is not contradicted by the other report, nor specifically denied, or further clarified, in the conference report, shall be considered as having been approved by both Houses of Congress.

TOTAL FUNDING FOR TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT PROGRAMS

In addition to the new obligational authority recommended in the accompanying bill, additional significant sums are made available each year for these same agencies under permanent authority which do not require consideration by the Congress during the annual appropriations process. The principal items in this category include payment of interest on the public debt which alone is anticipated to reach $206,854,570,000

for fiscal year 1987; interest on Internal Revenue Service refunds of income tax payments; payment of some claims and judgments; payments in connection with the Civil Service Retirement and Disability Fund; and payment to Puerto Rico for internal revenue and customs collections. It is estimated that the fiscal year 1987 requirement for these funds will exceed the fiscal year 1986 amount by approximately $7,400,000,000.

In addition to the agencies whose funds are derived from direct appropriations, there are other agencies that operate under authorities which exempt them from congressional review, in whole or in part, during the annual appropriations process or, as a matter of fact, from any other regular oversight by the Congress. For example, the U.S. Postal Service, under the Postal Reorganization Act, is authorized to use all of its income from postage and services for its own purposes and to request an appropriation from the Congress for certain subsidies. Therefore, only the amount of the subsidy requirement is regularly reviewed by the Congress. In the Treasury Department, the Office of the Comptroller of the Currency, whose income is derived principally from assessments paid by national banks, is exempt from congressional review, because such assessments are not construed under law to be Government funds.

TRAVEL

The congressional budget resolution assumes savings as the result of reducing Federal travel. Travel is to be reduced by 2.5 percent Governmentwide. A 2.5-percent reduction of travel costs in this bill totals approximately $6.000,000. The Committee wants to make it perfectly clear that it believes travel can be reduced and that agencies should make every effort to ensure that its travel is necessary and truly justifiable.

The Committee, however, also notes that across-the-board reductions of this nature do not impact all agencies in the same manner. As an example, the Internal Revenue Service must travel if it is to carry out its investigations, examinations, and collections of taxes. The Secret Service must travel to carry out its dignitary protection mission. There are many other examples. The Committee has not reduced each agency by this percentage, however, each agency is directed to review its current travel policy and take steps to insure that travel is closely scrutinized and reductions made where possible.

GENERAL REDUCTION IN HOUSE BILL

The House has included a provision (section 623) which reduces all of the discretionary accounts in the bill by 9.75 percent, except for the accounts funding the Bureau of Alcohol, Tobacco and Firearms; the U.S. Customs Service; the Internal Revenue Service; the Financial Management Service; and the U.S. Postal Service. These savings are not reflected by account but as a total reduction totaling $142,622,000.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

1986 appropriation to date	$50,975,000
1987 budget estimate	80,084,000
House allowance	52,642,000
Committee recommendation	76,000,000

The Committee recommends an appropriation of $76,000,000 for the salaries and expenses of the Office of the Secretary, including the international affairs function. The House has provided for separate appropriations for international affairs and for the departmental offices, salaries and expenses. The amount provided by the Committee is $916,000 more than the combined House allowance for the two accounts but $4,084,000 below the budget estimate for both accounts.

The functions of the departmental offices are in support of and necessitated by the responsibilities of the Secretary of the Treasury as a major policy adviser to the President and executive director of the Department. The Secretary has primary responsibility for: Formulating and recommending domestic and international financial policy and tax policy; participating in the formulation of broad fiscal policies that have general significance for the economy; and managing the public debt. The Secretary also oversees the activities of the Department in carrying out its major law enforcement responsibilities, in serving as the financial agent for the U.S. Government, in manufacturing coins and currency, and in managing the operation and maintenance of the main Treasury and annex buildings.

The international affairs programs involve the formulation and execution of Treasury policy in a wide range of important economic areas. Major program concerns include maintenance of liaison with international organizations and foreign governments in matters of common economic concern; investment of exchange stabilization fund reserves and sales and purchases of foreign currency for the purpose of stabilizing exchange markets; projection and interpretation of international economic trends; formulation and execution of economic policy decisions regarding developing nations; development of U.S. policy regarding international financial institutions; assisting in economic aspects of programs funded jointly by the United States and Saudi Arabian Governments; and a variety of other programs.

The Committee has reduced the appropriation requested for the departmental offices by $2,000,000 and 19 positions which had been requested to establish a direct appropriation to finance the salaries and expenses related to administration of the Federal Financing Bank. Because

legislative changes have not been enacted, these funds and positions are not necessary at this time. The House has taken similar action.

FEDERAL FINANCING BANK REFINANCING OF RURAL ELECTRIC AND TELEPHONE COOPERATIVE LOANS

The Congress included language in the Urgent Supplemental Appropriation Act of 1986 (Public Law 99–349) which allowed rural electric and telephone systems to repay debt to the Federal Financing Bank without incurring huge penalties. The Department of the Treasury and the Office of Management and Budget assured the Congress that the final language accepted by the conferees would allow refinancing.

On August 12, 1986, the Treasury Department published regulations for rural electric and telephone refinancing that are so restrictive that not a single rural electric or telephone co-op in the Nation will qualify for prepayment of debt. In its regulations, Treasury mandates that in order to qualify for repayment of debt, a borrower must be on the brink of bankruptcy or must be willing to reduce its rates to consumers by at least 25 percent. Even if a cooperative were to pass along 100 percent of the interest savings from refinancing, consumers' electric or telephone bills would only be reduced 3 to 5 percent. To require a 25-percent reduction in rates is arbitrarily denying all refinancing.

The Committee considers this as a breech of agreement and has included language denying funding for the Office of the Assistant Secretary for Domestic Finance until regulations are proposed which meet the agreed upon intent as contained in Public Law 99–349. The Committee expects the Department to consult with the Congress on this issue.

INTERNATIONAL AFFAIRS

1986 appropriation to date	$22,442,000
1987 budget estimate	
House allowance	22,442,000
Committee recommendation	

The House has broken this account from the departmental offices activity. The Committee believes one account better facilitates administration and that documentation provided by the Office of the Secretary provides the Committee with adequate oversight. Therefore, the Committee has recommended merging International Affairs into the "Departmental offices" account.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

1986 appropriation to date	$22,779,000
1987 budget estimate	20,899,000
House allowance	29,499,000
Committee recommendation	23,000,000

The Committee recommends an appropriation of $23,000,000 for the Federal Law Enforcement Training Center [FLETC]. This amount is

$2,101,000 more than the budget request, and is $6,499,000 less than the House allowance.

The Federal Law Enforcement Training Center provides the necessary facilities, equipment, and support services for conducting basic and advanced, in-service, refresher, and specialized [AIRS] training for law enforcement personnel of the participating organizations. Center personnel conduct the instructional programs for the basic recruit training and also selected portions of the advanced training. In addition, the Center furnishes training on a space-available basis to personnel from several Federal organizations which are not formal participants in ongoing training activities.

The House included $8,600,000 to cover the full cost of basic training. The Committee believes a unified budget for training is important, but because of budget restraints and the fact that training funds are included in each agency request, the funding has not been included for fiscal year 1987. However, the Committee directs the Department of the Treasury to include a unified training budget in its fiscal year 1988 request. The Committee notes that notwithstanding this action that it feels training is most important. In times of tight budgets training functions are often the first to be reduced. This gives short-term budgetary relief, however, it will undoubtedly lead to long-term problems.

FEDERAL LAW ENFORCEMENT TRAINING CENTER AT MARANA, AZ

The Committee has included $300,000 in the bill to allow the Federal Law Enforcement Training Center to commence renovations and improve training facilities at the Marana Training Center in Arizona, in anticipation of the new requirements the Southwest border drug enforcement initiative will place on that western training facility. Marana is currently increasing its role in the FLETC's new antiterrorism program and will play a substantial role in training Federal officers as part of the administration's new emphasis on providing increased enforcement resources along the Southwest border. For these reasons, the Committee feels that this small amount of funding should be made available to Marana to address these new responsibilities.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

1986 appropriation to date	$234,102,000
1987 budget estimate	251,117,000
House allowance	251,117,000
Committee recommendation	240,117,000

The Committee recommends an appropriation of $240,117,000 for salaries and expenses of the Financial Management Service. This amount is $11,000,000 below the budget estimate and the House allowance.

The Financial Management Service [FMS] provides central payment services for all civilian executive agencies, except the U.S. Postal Service, U.S. Marshals, and certain Government corporations, processes

claims on lost, stolen, and forged checks, provides accounting services for the Government, including maintenance of the central accounts concerning appropriations, receipts, and expenditures for the Government as a whole, provides checking account facilities to Government disbursing officers for the purpose of drawing checks on the U.S. Treasury, compiles and publishes financial reports, and performs other unique central fiscal operations. The Service's financial requirements to carry out these programs are subject almost entirely to program increases generated by other agencies and the Congress.

Modernization efforts of the FMS will continue in fiscal year 1987. The Committee has included funding aimed at increasing the use of automated and electronic systems to improved Federal financial management. These modernization efforts will yield savings of $1,300,000,000 in fiscal year 1987. Speed in financial transaction is most important. As a result, interest earnings from the Treasury Tax and Loan Program will total $781,000,000.

Bureau of Alcohol, Tobacco and Firearms

SALARIES AND EXPENSES

1986 appropriation to date	$167,221,000
1987 budget estimate	178,463,000
House allowance	190,463,000
Committee recommendation	193,463,000

The Committee recommends an appropriation of $193,463,000 for the salaries and expenses of the Bureau of Alcohol, Tobacco and Firearms for fiscal year 1987. This is $15,000,000 over the administration's request, and $3,000,000 over the House allowance.

The responsibility of the Bureau of Alcohol, Tobacco and Firearms [ATF] is to: (1) Reduce the misuse of firearms and the misuse and unsafe or insecure storage of explosives and assist other Federal, State, and local law enforcement organizations in reducing crime and violence in which firearms and explosives are used, through the effective enforcement of the firearms and explosives laws of the United States; (2) insure that all revenue due under the alcohol and tobacco tax statutes is collected, and obtain, to the maximum extent possible, voluntary compliance with those laws; (3) suppress illicit manufacture and sale of nontax-paid alcoholic beverages; (4) suppress commercial bribery, consumer deception, and other improper trade practices in the alcoholic beverage industry through the effective administration and enforcement of the Federal Alcohol Administration [FAA] Act; (5) eliminate trafficking of contraband cigarettes; and (6) administer research and development to improve technology as a means of combating the use of explosives in crime.

The Committee has acted, as did the House, to restore the 60 special agents reduced in the President's budget for the Tobacco Program. This program is coordinated with State revenue agencies and has made a significant impact on the development of enforcement capabilities required in combating trafficking of contraband cigarettes. This program will continue at the level it did in 1986.

The Committee has also restored the 31 compliance positions to revenue protection programs slated for reduction by the President's budget. These positions are to be used to enforce the Federal Alcohol Administration Act.

Provisions passed in recent tax measures have made the job of the ATF more difficult. Over the past several years ATF has done an exceptional job of enforcing compliance regulations with less than adequate resources. The Committee believes that more resources are necessary to enable the ATF to do its work. Therefore, funds have been included to add 70 positions to increase emphasis on revenue collection and protection in the excise and special occupational tax areas. Efforts should also be directed toward expanding and refining the Imported Alcoholic Beverage Testing Program to ensure that the interests of the American consumer are protected.

FIREARMS ENFORCEMENT

The use of firearms by career criminals is growing at staggering rates. The increase in the crime rate affects all Americans. In order to further enhance the Bureau's ability to fight this trend the Committee has provided funding for 140 special agent positions to increase emphasis on programs aimed at apprehension of armed career criminals and interdiction of illicit traffic in firearms and explosives. Steps should also be taken to expand and upgrade the communications systems necessary in carrying out these activities.

FEDERAL ALCOHOL ADMINISTRATION ACT

The Committee has again inserted a provision in the bill mandating funding for enforcement of the FAA Act at a minimum level of $15,000,000. It should be noted that ATF's effectiveness in this important program area has not flagged, even though the funding amount has not been increased in recent years to compensate for inflation and rising operating costs. The Committee commends ATF's management for the productivity gains which result in continued efficient enforcement at a decreasing cost to the taxpayer.

ARSON

The efforts of the Bureau of Alcohol, Tobacco and Firearms to deal with the crime of arson for profit warrant nothing less than unqualified support from the Congress. The investigative techniques and skills brought to arson crime investigations by ATF national response teams greatly enhance the potential for solution of these vicious acts.

COLLECTION OF STATISTICS

In reviewing the Office of Management and Budget's directive to the Bureau of Alcohol, Tobacco, and Firearms to discontinue its present system of collecting statistics on the beverage alcohol industry, the Committee finds that a move to collect these statistics on a quarterly rather than on a monthly basis will restrict the beverage alcohol indus-

try in focusing on industry problems, including alcohol abuse; will unnecessarily restrict the operations of a heavily regulated industry with deep social responsibilities which contributes approximately $14,200,000,000 in taxes on its products to local, State, and Federal governments; and will severely hamper the Government's efforts in monitoring business activities.

Therefore, the Committee directs that the ATF shall continue the monthly collection of statistics for the beverage alcohol industry.

The Committee has included language which prohibits ATF from implementing regulations with regard to ingredient labeling until all current court proceedings are completed.

STAFFING

To avoid confusion with respect to allocation of positions to Bureau of Alcohol, Tobacco and Firearms, the Committee emphasizes that the 3,151 positions authorized for the Bureau of Alcohol, Tobacco and Firearms are full-time equivalent positions.

ROLE IN SOUTHWEST BORDER TASK FORCE

The Committee notes that the Bureau has been designated to play an advisory role in the newly formed Southwest border drug enforcement task force—a task force headed by the U.S. Customs Service and operated in conjunction with several other Federal and State and local agencies.

Although the Committee acknowledges ATF's rigid budget constraints, it believes that the agency should designate a sufficient number of staff to participate in the Southwest border task force and to provide intelligence and other assistance to the task force, particularly in the area of explosives and weapons trafficking.

INTERAGENCY DRUG TASK FORCE DEMONSTRATION PROJECT

The Committee directs the Bureau of Alcohol, Tobacco and Firearms to assign four special agents to the 1987 Interagency Drug Task Force Demonstration Program in Philadelphia, PA, to combat drug-related crimes. These positions will be funded through the enhancements provided in this bill.

U.S. Customs Service

SALARIES AND EXPENSES

1986 appropriation to date	$717,000,000
1987 budget estimate	693,000,000
House allowance	796,000,000
Committee recommendation	760,000,000

The Committee recommends an appropriation of $760,000,000 for the salaries and expenses of the U.S. Customs Service. This amount is $67,000,000 more than the budget estimate, but $36,000,000 below the House figure.

The "Salaries and expenses" account covers all personnel costs and related expenses for the U.S. Customs Service.

As the agency with the primary border enforcement responsibility and a major revenue producer, the U.S. Customs Service administers and enforces the Tariff Act of 1930 and some 400 other provisions of laws and regulations of 40 other Federal agencies which govern international traffic and trade. The multiencompassing aspects of this mission require the U.S. Customs Service to:

—Control, regulate, and facilitate the movement of carriers, persons, and commodities between the United States and other nations;

—Protect the American consumer and the environment against the introduction of hazardous and noxious products; and protect American industry and the American worker against unfair competition from foreign manufacturers;

—Assess, collect, and protect the revenue accruing to the United States from duties, taxes, and fees incident to international traffic and trade;

—Detect, interdict, and/or investigate: Smuggling and other illegal practices designed to gain illicit entry into the United States of prohibited articles, narcotics, drugs, and other contraband;

—Fraudulent activities calculated to avoid the payment of duties, taxes, and fees, or to evade the legal requirements of international traffic and trade; and

—Illegal international trafficking in arms, munitions, and currency.

INCREASED FUNDING FOR PERSONNEL

The President's budget proposed to reduce the Customs Service by 1,547 positions below the number provided in 1986. Considering the increased cargo and passenger traffic, current processing delays and the ever growing problem with trafficking in illegal narcotics, the Committee believes this is a move in the wrong direction. The Committee has, therefore, provided funding to restore these positions.

It is very important that the Customs Service take all of the steps necessary to ensure that the positions provided are filled at the soonest possible date and that the positions are assigned to those ports of entry that currently are most in need of resources.

By restoring the $56,100,000 proposed to be cut by the administration next year, the Committee has made possible the following personnel enhancements for Customs operations:

+130 new positions for investigations;

+126 new positions for tactical interdiction, including marine drug interdiction officers and Customs investigators;

+90 new positions for the customs air drug interdiction program;

+314 new inspectors, including 255 targeted for the Southwest and Pacific regions. (Of the 255 new positions targeted for the Southwest and Pacific regions, 150 would be placed directly on the Southwest border for increased law enforcement purposes);

+108 new import specialist positions to improve Customs commercial operations in key ports around the Nation;

+47 new positions for increased intelligence gathering activities and support for other Customs law enforcement personnel; and

+113 new positions to address serious administrative, clerical, and internal affairs shortfalls throughout the agency.

The Committee has also recommended an additional $10,869,000 over the restoration funding level outlined above and directs that these additional amounts be used as follows to bolster Customs drug enforcement activities in high threat areas:

+$5,400,000 for 149 additional positions for the air interdiction program to permit implementation of 7 days/16 hours air operations at selected priority air interdiction units;

+$1,200,000 for 34 additional staff to implement phase 1 of the requirements for staffing the newly established command, control, and communications [C3I] centers at Miami, Houston, March Air Force Base, and Oklahoma City;

+$4,269,000 for 100 additional inspectors and related equipment for the Southwest border drug task force to be allocated among the Southwest region districts, in accordance with the administration's soon-to-be announced plans for bolstering law enforcement along the United States-Mexico border.

The Committee also understands that, as a result of the user fee provisions of the Comprehensive Omnibus Budget Reconciliation Act of 1986 [COBRA], the Customs Service plans to allocate 189 additional slots to the Southwest border area, including 129 new intelligence, enforcement, and inspection and control positions for the Southwest region and 60 new intelligence, enforcement, and inspection and control slots for the Pacific region, primarily in southern California. These positions made possible by the availability of funding provided through the COBRA user fee initiative, coupled with the positions provided through direct new appropriations by the Committee in this bill, will bring total new positions for increased enforcement in the Southwest and Pacific regions to 544. The Committee believes that this significant increase in staffing coincides with the administration's acknowledgement that law enforcement along the United States-Mexico border must be substantially improved in order to meet the growing drug threat and the increased incidents of drug-related violence along the border.

The Committee notes that the report (H. Rept. 99–723) accompanying the bill directs positions to specific ports. The Committee believes that the problems facing these districts were addressed as a result of action taken in Public Law 99–349. However, if it has not, the Committee will consider direction similar to that outlined in the House bill.

SOUTHWEST BORDER DRUG ENFORCEMENT TASK FORCE

The Committee notes that the administration is preparing a major Southwest border drug enforcement initiative, developed under the auspices of the Attorney General as Chairman of the Drug Enforce-

ment Policy Board. Among other things, this task force will involve the Customs Service as the lead agency in the Southwest border effort, plus the Drug Enforcement Administration; the FBI; the Coast Guard, the INS; and State and local law enforcement representatives. The Bureau of Alcohol, Tobacco and Firearms; the Internal Revenue Service; and the U.S. Secret Service will also plan an advisory role in the administration's Southwest border initiative. The plan also will call for implementation of a recommendation made on June 18 by the Policy Board that additional Department of Defense air interdiction resources be made available to the U.S. Customs Service, including the transfer of four E2C Navy surveillance aircraft to Customs, and to the overall national effort to combat drug smuggling in the Southwest.

The amount provided in the bill for the Customs Service will allow the agency to put 338 new enforcement positions into this Southwest border drug enforcement task force operation, including 189 slots available through the Comprehensive Omnibus Budget Reconciliation Act [COBRA] user fee program, and 149 new hires through additional appropriations recommended in this bill. In addition, the Committee has recommended another $4,269,000 and 100 additional inspectors to be placed into the Customs Service's Southwest border task force operations in fiscal year 1987. This will bring the total direct Customs contribution to this crucial drug enforcement operation to 438 new positions over current staffing levels. As the lead agency in the administration's Southwest border task force initiative, this level of new manpower is crucial to the ultimate success of the administration's plans to attack the drug trafficking problem at the land borders.

The Committee directs the Commissioner of Customs to report on a regular and ongoing basis to the House and Senate Committees on Appropriations regarding the exact location of these new positions in the Southwest and Pacific regions as they come onboard.

CHARLESTON, WV, CUSTOMS OFFICE

The Committee believes that the port of customs office in Charleston, WV, is an important facility both to the State of West Virginia and the Nation and should be maintained in tact in fiscal year 1987. The Committee further directs that no effort be made to close or reduce the operations of this office, in accordance with the directives contained in this report regarding the closing, consolidation, transfer, merger, or personnel reductions affecting customs offices, regions, and districts.

PORTS OF ENTRY IN NORTH DAKOTA

The Committee is concerned about the proposed closure of ports of entry in the State of North Dakota. It is apparent that action of this nature would hamper trade and travel between this country and Canada. Therefore, the Committee directs that no effort be made to close or reduce operations at any of these offices.

ST. ALBANS, VT. CUSTOMS DISTRICT

The Committee is aware that the Customs Service is developing a northern border strategy that will create 12 commercial cargo areas. None of these are in Vermont. This action will downgrade the Customs presence in the St. Albans, VT, district by eliminating all Customs inspectors. It will force the majority of cargo entries to Vermont businesses to go through either Champlain, NY, or Houlton, ME, a rerouting of up to 725 miles. The Committee sees this as a threat to the business climate in Vermont. Vermonters who travel to Canada would also be rerouted, if they exceed their daily spending exemption. The removal of Customs inspectors would possibly cause the closure of some ports and would increase the opportunity to smuggle both goods and people. The removal of the inspectors will also increase the risk of terrorists entering into the United States. The Committee is concerned that no commercial port is included in Vermont when it has more than twice the number of formal entries as does the main district.

The Committee directs that no action be taken by the U.S. Customs Service to close, consolidate, or shift operations from the St. Albans, VT, Customs district, and that at least one commercial port of entry in Vermont be included in the northern border strategy.

SINGLE 8-HOUR SHIFTS AT AIRPORTS

The fiscal year 1986 urgent supplemental appropriations bill (Public Law 99–349), included a provision which prohibited the Customs Service from implementation of single 8-hour shifts and the establishment of user fees for any additional shifts. The Committee agrees with the House that in absence of any detailed proposal for single shifts at airports that the prohibition should be continued.

SATELLITE II, LOS ANGELES, CA

The Committee shares the concern, as stated in the House report (H. Rept. 99–723), with regard to the necessity of efficient international passenger processing in Los Angeles. The Committee, therefore, directs Customs to continue to provide service at this facility.

DULLES INTERNATIONAL AIRPORT TRAFFIC

International air traffic has increased considerably at Dulles International Airport since it has expanded its capacity. Problems in processing passenger entries could easily develop in future years. The Committee believes that passenger facilitation is important and Customs should review its current situation and take steps necessary to facilitate passenger entry.

CUSTOMS REDUCTIONS AND CONSOLIDATION

The House has inserted language prohibiting the use of funds appropriated in this act from being used to plan, implement, or administer (1) any reduction in the number of regions, districts, or entry processing

locations of the U.S. Customs Service; or (2) any consolidation or centralization of duty assessment or appraisement functions of any offices of the U.S. Customs Service.

The Committee agrees with the House in principle that the Congress should be involved in final decisions as to the number of regions, districts, and processing locations of the Customs Service. However, the Committee does not agree that a wholesale prohibition on management initiatives is the answer to the problem. Provisions included in Public Law 98–573, the Tariff and Trade Act of 1984, address the question of closures, so the Committee has deleted this language.

In an effort to avoid problems which have been experienced in the past, the Committee encourages the Customs Service to take the following action prior to making any closure decisions: (1) notification of the Committee of proposal; (2) notification of affected Members of Congress; (3) coordination and discussions with those Members of Congress; and (4) final approval of plan by the Committee.

It is to be noted the Committee expects complete consultation and coordination with the Members of Congress affected, so that local. input is considered in the final decision. The Committee expects that the notification be issued so a reasonable time can be allotted to the discussion.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

1986 appropriation to date	$75,000,000
1987 budget estimate	54,700,000
House allowance	67,200,000
Committee recommendation	87,819,000

The Committee recommends an appropriation of $87,819,000 for operation and maintenance expenses of the Customs Air Interdiction Program. This is $33,119,000 more than the total amount requested for Air Program activities in fiscal year 1987 and $20,619,000 more than the House allowance.

The Operation and maintenance, Air Interdiction Program account covers expenses incurred by the Customs Service for operating and maintaining the aircraft, radar, equipment, and facilities necessary to carry out the successful mission of the Air Interdiction Program. This account also includes training, some equipment procurement, leasing, and special operations either directly or indirectly associated with the Air Interdiction Program. This account covers the essential costs associated with operating and maintaining the Army, Navy, and Air Force aircraft and equipment that has been and will continue to be loaned to Customs for use in its Air Interdiction Program.

The Committee directs that funding for the air program be allocated as shown in the following table:

Regular air program:	
Travel	$790,000
Transportation	170,000
Utilities, communications, and rent	950,000
Contract services	7,300,000
Fuel and supplies	3,365,000
Equipment	900,000
Subtotal	13,475,000
Support of military assets:	
Operation and maintenance:	
Blackhawk (8 aircraft)	4,200,000
P-3A	12,700,000
P-3 modification for 360 degree radar	10,000,000
TBO replacements	700,000
Operation and maintenance of C-12 trackers	2,808,000
Subtotal	30,408,000
Other air:	
Aerostat Bahamas	6,000,000
C3I (operation and maintenance)	1,000,000
Lease Citations	2,418,000
Operation and maintenance:	
Citations (6 a/c)	3,950,000
Interceptor/trackers (8 a/c)	4,230,000
Subtotal	17,598,000
Enhancements:	
ILS/inventory system	1,200,000
COMINT system for P-3A	600,000
C3I development	16,579,000
Arizona aerostat	4,200,000
Increased operations	3,759,000
Subtotal	26,338,000
Total	87,819,000

The Committee fully expects the Customs Service to follow the directives outlined in the table above regarding the allocation of the operation and maintenance resources in fiscal year 1987. However, as was the case in fiscal year 1986, should circumstances change during the course of the fiscal year and opportunities arise for air interdiction enhancements not previously envisioned by the Committee or the Customs Service, and should a reallocation or adjustment to the directed funding levels and allocations be required to take advantage of such opportunities, the Commissioner is expected to notify the Committee in writing of such developments and fully justify in detail any reallocation of air program resources within the total appropriation for operation and maintenance recommended by the Committee.

The Committee notes that the appropriation language contained in the bill should not be interpreted or viewed in any way as a limitation on the authority of the U.S. Customs Service to acquire aircraft by means other than commercial purchase. Furthermore, the Committee reconfirms the intent of the Congress in prior years that the Customs

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Service is authorized to acquire aircraft through means such as seizure for violations of law and by transfer from other agencies. The Committee has included language in the bill granting such authority to Customs to continue acquiring seized aircraft that have been confiscated as a result of legal action against a violator of Customs laws and to acquire aircraft and equipment from other Federal agencies, including the Department of Defense.

COMMAND AND CONTROL CENTERS

The Committee is concerned that the Customs Service be in a position to take full operational advantage of the new sensors, aircraft, and other drug interdiction enhancements soon to be in place.

The drug smuggler has the option of many routes into the United States from South American source countries, and has the ability to shift penetration of the U.S. border from San Diego to Miami, based on this perceived threat.

In that regard, the U.S. Federal law enforcement effort has been, and will continue to be, at a disadvantage until Federal officials are able to respond to trafficking shifts with timely and effective operations. To this end, the Committee directs that the Commissioner of Customs establish three sector command and control centers to be located at Miami, FL, Houston, TX, and March Air Force Base, CA. In addition, the Committee directs that a national command and control center be established in Oklahoma City, OK. This command and control system will be responsible for the direction of all air drug interdiction efforts by the U.S. Federal Government.

It is further expected that the command and control system will be integrated, to the extent necessary, with all appropriate military sensor activities under the command of the Commander in Chief, Southern Command [CINCSOUTH]. The Committee further directs that an adequate communications net be established with all subordinate U.S. Customs air branches, all appropriate Federal and State law enforcement agencies, and that all Customs air and marine drug-related intelligence activities be directed from this national command and control system. This integration, along with the expected ability to display existing and future valuable drug detecting radars along the U.S. southern border, will enable the U.S. Customs Service to respond rapidly to changing tactics and shifts of drug traffickers.

P-3/E2C SURVEILLANCE AIRCRAFT FOR U.S. CUSTOMS

The Committee notes that the Drug Enforcement Policy Board has approved and the Senate has authorized the transfer of four Navy E2C surveillance aircraft to the U.S. Customs Service to be used in its Air Interdiction Program. The Committee concurs with the administration that these additional surveillance aircraft, equipped with 360-degree radar, will offer an excellent addition to the Customs drug interdiction surveillance fleet. The Committee believes that the combination of the P–3 aircraft currently on loan to Customs, and the E2C aircraft will

allow Customs to conduct broad, comprehensive surveillance over both the Southwest border and the maritime environment of the Gulf of Mexico and the Caribbean. The P–3's offer great endurance, expandability, and payload capability to the air interdiction mission, while the E2C offers the benefit of 360-degree radar coverage that is so vital to tracking drug smuggler targets that attempt to penetrate the United States. Therefore, the Committee directs the U.S. Customs Service to retain all four of its current P–3A/APG–63 surveiilance aircraft both now and upon receipt of the transferred E2C aircraft from the Navy.

In view of the administration's strong support for the transfer of the E2C's to the U.S. Customs Service, as outlined in a June 18, 1986, letter from the Attorney General to the chairmen of the House and Senate Committees on Appropriations and Armed Services, the Committee fully expects the administration to request sufficient operation and maintenance funds for the new E2C aircraft to cover this increased cost to the Customs Service, perhaps as early as the summer of calendar year 1987.

LOW LEVEL RADAR DETECTION

The Committee remains concerned about the ability of drug smugglers to penetrate U.S. airspace at low altitudes. The Los Alamos National Laboratory has been working on development of a low-level system. The Committee directs Customs to allocate $235,000 within available funds for a study on the feasibility and application of such a system.

CUSTOMS FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

1986 appropriation to date	$7,656,000
1987 budget estimate	8,000,000
House allowance	8,000,000
Committee recommendation	8,000,000

The Committee recommends an appropriation of $8,000,000 to fund the Customs forfeiture fund for fiscal year 1987.

This fund was created by Public Law 98–473 and Public Law 98–573 and is intended to assist the Customs Service in disposal of assets seized by the Service.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

1986 appropriation to date	$75,000
1987 budget estimate	365,000
House allowance	365,000
Committee recommendation	365,000

The Committee has provided authority to fund the expanded program to provide customs service on a reimbursable basis at certain small airports designated by the Secretary of the Treasury where the volume or value of business is insufficient to justify the availability of

full-time customs service. The services will be paid from user fees collected at each of these airports.

U.S. MINT

SALARIES AND EXPENSES

1986 appropriation to date	$44,500,000
1987 budget estimate	47,808,000
House allowance	43,508,000
Committee recommendation	42,508,000

The Committee recommends an appropriation of $42,508,000 for the salaries and expenses of the U.S. Mint. The Committee recommendation is $1,000,000 below the House allowance, and $5,300,000 below the President's request.

The mint manufactures coins, receives gold and silver bullion, safeguards the Government's holdings of monetary metals, and refines gold and silver bullion. The manufacture of domestic coins is the major activity of the mint. Coins are ordered from the mint by the Federal Reserve Banks in quantities required for the country's business transactions. Thus, the volume of the Coinage Program is determined by the public need for coins. Funds requested in this budget will permit for production of approximately 17.2 billion coins in fiscal year 1987.

EXPANSIONS AND IMPROVEMENTS

1986 appropriation to date	.....
1987 budget estimate	$694,000
House allowance	694,000
Committee recommendation	694,000

The Committee has included $694,000 for expansions and improvements at mint facilities. This equals the budget request and House allowance.

The appropriation will be used for expansions and improvements at existing mint facilities. This construction will increase production capacity and alleviate problems with regard to health, noise, and congestion.

BUREAU OF PRINTING AND ENGRAVING

The Bureau of Printing and Engraving is the world's largest securities manufacturing establishment. The operations of the Bureau are currently financed by means of a revolving fund. This fund is reimbursed by other Government agencies for the direct and indirect cost of the Bureau, including its administrative expenses, incidental to performing the work or services requisitioned.

Public Law 95-81, July 31, 1977 (31 U.S.C. 181a) increased the Bureau's fund, and additionally authorized the establishment of reimbursement prices from customer agencies at a level which will provide funding for the acquisition of capital equipment and future working capital.

The Bureau designs, manufactures, and supplies most of the major evidences of a financial character issued by the United States. It is the sole source of U.S. currency, various public debt instruments, as well as

most other evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The Bureau executes certain printings for various territories administered by the United States, particularly postage and revenue stamps. It conducts extensive research and development programs for improving the quality of products, reducing manufacturing costs, and for strengthening deterrents to the counterfeiting of Government securities. It manufactures inks and plates used for its products; purchases materials, supplies, and equipment; provides maintenance services for its buildings and plant machinery and equipment; and stores and delivers its products in accordance with requirements of customer agencies. The Bureau is responsible for the accountability and destruction of its security waste products.

The budget estimates are determined primarily by two factors; namely, (1) the volume of production of the various items needed to meet the estimated requirements of customer agencies, and (2) the unit cost of manufacturing each type of item produced. The unit cost of production of each item manufactured is developed through a detailed system of cost accounting, and adjusted to reflect all known factors which will affect the cost of production during the current and budget years. Such factors include pay rate and material price increases expected to occur during the current year, as well as estimated savings resulting from improvements in production procedures.

Bureau of the Public Debt

ADMINISTERING THE PUBLIC DEBT

1986 appropriation to date	$186,830,000
1987 budget estimate	218,564,000
House allowance	218,564,000
Committee recommendation	198,564,000

The Committee recommends an appropriation of $198,564,000 for the Bureau of the Public Debt. The Committee recommendation is $20,000,000 below the budget estimate and the House level.

The Bureau of the Public Debt is responsible for administering the laws and regulations pertaining to public debt financing and operations within the framework of policies established by the Secretary of the Treasury. The Bureau's primary concerns are with the issuance, servicing, and retirement of public debt securities, and accounting for the public debt and its related interest cost. It also has a general responsibility for the conduct or direction of transactions in public issues of those Government agencies for which the Treasury acts as agent.

SAVINGS BOND DIVISION

The mission of the U.S. Savings Bonds Division is to reduce Federal spending by promoting the sale and retention of U.S. savings bonds. In addition to helping the U.S. Government finance its debts in the least expensive and least inflationary way possible, savings bonds provide Americans with an effective, systematic way to save through the payroll savings plan. The program is also intended to create a partnership of

direct participation of American business, labor, banking, media, and community groups, as well as to provide the opportunity for all citizens to voluntarily participate in the financing of their Government.

PARKERSBURG, WV, FACILITY

The Parkersburg facility handles a considerable number of U.S. savings bond transactions. The Treasury Department has been reviewing the possibility of moving some of the Washington-based functions to Parkersburg in coming years. It appears that the availability of space and the available work force would make this move feasible. The Committee, therefore, directs the Department to accelerate and expedite the review of the relationship between the work force at Parkersburg and the work force at headquarters with a view to shifting functions to the Parkersburg facility to make maximum use of existing space and staff and report back to the Committee by January 20, 1987.

INTERNAL REVENUE SERVICE

IRS FUNDING LEVELS

The Committee is proposing funding levels significantly below the budget estimate. The major reason for this is that the budget resolution assumed a funding level of over $100,000,000 below the budget estimate. The Committee is dealing with limited resources and, because IRS funding totals nearly 60 percent of the discretionary spending in this bill, IRS cannot be funded at a higher level than provided for in the resolution.

The Committee stresses that this funding level should be adequate to cover any inflationary costs, however, it may not be enough to fund planned enhancement of revenue collection efforts. The IRS is directed to make every effort to ensure that the filing season gets top priority.

SALARIES AND EXPENSES

1986 appropriation to date	$89,958,000
1987 budget estimate	95,147,000
House allowance	95,147,000
Committee recommendation	92,000,000

The Committee recommends an appropriation of $92,000,000. The Committee recommendation is $3,147,000 below the budget request and the House approved level.

The salaries and expenses appropriations provides funding for policy formulation and executive direction of the Internal Revenue Service, for management services, and for the centralized direction of activities which perform independent reviews of operations and protect the integrity of the Service. The appropriation consists of two activities: executive direction and management services.

PROCESSING TAX RETURNS

1986 appropriation to date	$1,213,769,000
1987 budget estimate	1,262,902,000
House allowance	1,332,902,000
Committee recommendation	1,215,000,000

The Committee recommends an appropriation of $1,215,000,000, a reduction of $47,902,000 below the fiscal year 1987 request and $117,902,000 below the House allowance.

Funds in this appropriation are used for processing tax returns, accounting for tax revenue, issuing notices and refunds, and processing information returns for the Document-Matching Program. The computer service provides developmental assistance to modernize the mainline system.

The House increased this account by $70,000,000 over the original budget request in order to add 1,700 positions.

EXAMINATIONS AND APPEALS

1986 appropriation to date	$1,427,121,000
1987 budget estimate	1,603,162,000
House allowance	1,623,162,000
Committee recommendation	1,530,000,000

The Committee recommends an appropriation of $1,530,000,000 for examination and appeals activities in fiscal year 1987, which is $73,162,000 below the budget estimate and $93,162,000 below the House total.

The examinations and appeals appropriation provides resources to examine tax returns and to administratively settle taxpayer appeals of the examination findings. Examinations and appeals play a central role in the continued effectiveness of our self-assessment tax system and the fair and equitable application of the tax laws. The Service must examine taxpayers' books and records to determine the correctness of taxpayers' returns. In those instances where the taxpayer disagrees with examination findings, the Appeals Program provides an independent administrative review. The objective is to reach an impartial settlement, fair to the taxpayer and the Government, without the necessity of litigation.

The appropriation also provides independent administrative review of contested assessments and represents the IRS in the litigation process. This account also includes the employee plans and exempt organizations activities which previously was included in the investigation and collection appropriation.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

1986 appropriation to date	$1,095,289,000
1987 budget estimate	1,136,581,000
House allowance	1,196,581,000
Committee recommendation	1,098,000,000

The Committee recommends an appropriation of $1,098,000,000 for investigation and collection activities in fiscal year 1987. The Committee

recommendation is $38,581,000 below the budget request and $98,581,000 below the House allowance.

The account includes funds for the following four activities—tax fraud investigations, collection, taxpayer service, and enforcement litigation and rulings. The tax fraud investigations activity is responsible for enforcement of criminal statutes relating to violation of internal revenue laws. The collection activity provides for collecting unpaid accounts, as well as securing unfiled tax returns and payments. The taxpayer service provides information and assistance to taxpayers to assist them to comply with the tax laws. Enforcement litigation and rulings provides legal support for the IRS.

TAX COUNSELING FOR THE ELDERLY

The Committee believes the Tax Counseling Program for the elderly has proved most successful. To meet the goals of this program $2,400,000 is included. To insure that the full effect of the program is accomplished, the IRS is directed to cover administrative expenses within existing funds.

TAX FORM AVAILABILITY

The Committee believes voluntary tax compliance could suffer, as a result of a recent decision by the IRS to limit the number of forms available to taxpayers and practitioners.

The IRS has notified tax practitioners that beginning in October 1986, a reduced number of forms will be made available for tax preparation. The preparer will be able to order only 30 forms at one time. If a taxpayer has a practitioner prepare his return he no longer gets a tax package mailed directly to him. The practitioner does not receive one either. When a practitioner prepares a return one is sent to the IRS, one goes to the taxpayer, and one remains with the preparer. Simple arithmetic indicates that a practitioner will be reordering often or using a copying machine constantly. Whichever is the case, it leads to only one thing—higher preparation cost to taxpayers, which are, in turn, deducted from payable taxes.

The IRS indicates this new policy will save $6,000,000. The Committee believes lost revenue could be more. This action would be penny wise and pound foolish. The Committee, therefore, directs the IRS to take every action necessary to insure that the taxpaying public is provided the tax forms necessary to continue voluntary compliance.

ROLE IN SOUTHWEST BORDER DRUG TASK FORCE

The Committee notes that the Bureau has been designated to play an advisory role in the newly formed Southwest border drug enforcement task force, a task force headed by the U.S. Customs Service and operated in conjunction with several other Federal, State, and local entities.

Although the Committee is cognizant of the demands placed on personnel at the Service to handle its primary mission, it believes that the Commissioner should assign a substantial number of IRS enforcement

experts to the Southwest border task force to assist its efforts, particularly in the area of money laundering investigations.

ADMINISTRATIVE PROVISIONS

The Committee has agreed with the House that two administrative provisions allow the IRS to transfer funds between its four operating accounts. The Committee cannot overstate the fact that it does not believe that transfers can or should be made between appropriations activities without congressional approval and then only in very special instances. Last year the Congress agreed that it was necessary to transfer funds between IRS operating accounts in order to provide a smooth filing season, as well as the most accurate examination procedures. In fiscal year 1987, the Committee recommends general transfer authority of not to exceed 1 percent and a special authority for document matching which is not to exceed 15 percent. The Committee has also included a section that clarifies the tax status of certain foundations involved in facilitating technology transfers from universities to the private sector.

U.S. Secret Service

SALARIES AND EXPENSES

1986 appropriation to date	$281,358,000
1987 budget estimate	307,140,000
House allowance	316,800,000
Committee recommendation	318,000,000

The Committee recommends the appropriation of $318,000,000 for the U.S. Secret Service. The Senate proposal is $10,860,000 above the budget estimate and is $1,200,000 above the House-reported allowance.

The Secret Service is responsible for protection of the President and other officials, investigating counterfeiting of currency and check forgeries, and protection of the White House and other buildings in Washington, DC.

The Service is a labor-intensive organization whose special agent personnel have the dual responsibilities of guarding the lives of this country's highest public officials, world leaders, and taking action against those who would undermine the Nation's currency and securities. The Secret Service is preparing to take on, and in recent years has taken on, additional investigative responsibilities, notably those related to electronic funds transfer, computer fraud, credit and debit card fraud, and food stamps fraud, and has had a very significant increase in investigations related to protective intelligence matters along with the requirement to provide protection in an ever-escalating climate of global terrorism.

The Committee has provided funds for the Service to maintain its strength at the same level as was appropriated in 1986. Because of the labor-intensive nature of the Service, failure to provide these resources would cause cutbacks which could lead to the Service's inability to accomplish its mission.

The Committee has also included $3,660,000 to augment efforts to combat terrorism. The Congress provided funding in fiscal year 1986, but it was not requested in the fiscal year 1987 submission. The funds will be used to further develop and enhance deterrents to the growing terrorist threat.

WHITE HOUSE SECURITY

The Committee has included a general provision in title VI, section 618, which would add the Treasury Building, the Treasury Annex and The Treasury grounds to the protective authority of the Uniformed Division.

The White House Police Force was formed in 1922 to protect the Executive Mansion and grounds. By 1970, when the name of the White House Police was changed to the Executive Protective Service, their duties and jurisdiction included responsibility for the protection of foreign diplomatic missions in the Washington metropolitan area. In 1977, the Executive Protective Service became the U.S. Secret Service [USSS] Uniformed Division to more clearly reflect the close association between it and the rest of the Secret Service.

With the recent increase in worldwide terrorism, there is a need for heightened security, particularly against Government offices. Because security for the Treasury Department complex forms an integral part of overall White House security, there is a need to clarify Treasury's inclusion under the protective umbrella of the Uniformed Division. The USSS Uniformed Division would replace the current USSS Treasury Police Force.

ROLE IN SOUTHWEST BORDER DRUG TASK FORCE

Although the Committee is cognizant of the rigid budget constraints being placed on the Service next year, it believes that the Director should assign sufficient personnel to the Southwest border drug enforcement task force effort in order to bring the Service's expertise into this critical antidrug effort, particularly in the area of intelligence, weapons trafficking and the like.

DEPARTMENT OF THE TREASURY

General Provisions

The Committee recommends that the four general provisions included in the House bill, which have been carried in previous appropriations acts, be again carried without change. The provisions do the following:

Sec. 101. Provides funds for uniforms, cleaning, issuance of vehicles operated in foreign countries, and services as authorized by 5 United States Code 3109.

Sec. 102. Prohibits funds from being used for the collection of taxes unless IRS complies with certain provisions of the Fair Debt Collection Act.

SEC. 103. Provides for transfer of funds within the Department.

SEC. 104. Prohibits Treasury from placing certain bureaus under the jurisdiction of the inspector general.

TITLE II—UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

1986 appropriation to date	$715,836,000
1987 budget estimate	40,049,000
House allowance	690,049,000
Committee recommendation	650,000,000

The Committee has recommended an appropriation of $650,000,000 for payment to the Postal Service Fund in fiscal year 1987. The total is $40,049,000 below the House-passed total, but is $609,951,000 over the budget request.

The Postal Service appropriation is authorized under the Postal Reform Act and traditionally has been broken down into three major categories: revenue forgone on free and reduced rate mail; nonfunded liabilities of the former Post Office Department and public service costs. The budget request calls for an appropriation of $40,049,000 for unfunded liabilities incurred prior to the Postal Reorganization Act. No appropriation is requested for the revenue forgone subsidy, or the public service costs.

REVENUE FORGONE

The President's budget request includes no funding for the revenue forgone subsidy. The Postal Service originally requested an appropriation of $833,000,000 for this subsidy.

The $650,000,000 recommended by the Committee is to be applied to maintain postage rates for free and reduced rate mail at their current levels.

The Postal Service has indicated that $650,000,000 will be sufficient to maintain rates at current levels during 1987. The House has included that amount, plus the $40,049,000 requested to fund previously unfunded liabilities of the former Post Office Department.

The Committee recommends the payment of liabilities of the United States arising from Federal Employee Compensation Act claims of former employees of the old Post Office Department be deferred.

The following table reflects the effect on subsidized mail rates of the President's budget estimate and the appropriation levels discussed by the Committee:

PREFERRED PRICE LEVELS[1,2]

FISCAL YEAR 1987 ILLUSTRATIVE EXAMPLES

Appropriation (Commercial amount (price level)	$650 million (current prices)[3]	$843 million (Step 16)	$716 million (above step 16)[3]	$616 million (above step 16)[3]	$0 rates)
Second-class publications:					
In-county (cents)	7.2	6.3	7.0	7.7	10.6
Percent		13	3	7	47
Nonprofit (cents)	8.7	8.2	8.6	9.0	10.6
Percent		6	1	3	22
Classroom (cents)	13.1	11.2	12.8	14.0	19.6
Percent		15	2	7	50
Science of agriculture (cents)	11.0	10.8	11.0	11.1	11.6
Percent		2		1	6
Third-class nonprofit:					
Carrier route presort (cents)	5.5	4.8	5.4	5.9	8.3
Percent		13	2	7	51
Presorted to five digits (cents)	7.1	6.3	7.0	7.5	10.1
Percent		11	1	6	42
Required presort (cents)	8.5	7.4	8.3	9.0	12.5
Percent		13	2	6	47
Fourth-class library rate	73.0	67.0	71.0	76.0	94.0
Percent		8	3	4	29

[1] Based on preferred rate eligibility changes contained in the Consolidated Omnibus Budget Reconciliation Act of 1985.

[2] Percentage increases (decreases) from current prices are indicated below prices.

[3] Prices are between step 16 and commercial levels.

PUBLIC SERVICE SUBSIDY

The Committee notes that the Postal Service requested no funds for public service costs specified in the Postal Reorganization Act of 1970. Appropriations for public service were initially authorized by Congress in the act of 1970 to provide for "a maximum degree of effective and regular postal services nationwide, in communities where post offices may not be deemed self-sustaining, as elsewhere." The Committee is most pleased that the Postal Service has reached such a plateau since the reorganization, however, it does not mean the Committee will retreat from its historic position the Postal Service must be operated as a public service available throughout the Nation and maintaining postal services such as 6-day delivery and small post office operations in small and rural communities where mail delivery is particularly important to their citizens.

SPECIAL PROVISIONS

The Committee has included several provisions which have been carried in previous appropriations acts for a number of years. They mandate free mail for the blind and overseas voting; as well as continuation of 6-day mail delivery and rural delivery. Provisions are also included which prohibit wholesale closure of small post offices and a prohibition against charging fees for furnishing postal addresses in connection with State and local child support programs.

The House added one provision which has Committee concurrence. This provision authorizes the Postal Service civil authority to conduct seizures and forfeitures of property involved in or garnered from trafficking in child pornography.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

1986 appropriation to date	$250,000
1987 budget estimate	250,000
House allowance	250,000
Committee recommendation	250,000

The fiscal year 1987 budget request for compensation of the President is $250,000. This amount includes $200,000 for the direct salary of the President as authorized by 3 United States Code 102, and a $50,000 expense account for official expenses, with any unused portions reverting to the Treasury. This expense account is not considered as taxable to the President.

The Committee concurs with the House in recommending the full budget request of $250,000 for compensation of the President.

OFFICE OF ADMINISTRATION

1986 appropriation to date	$14,926,000
1987 budget estimate	16,238,000
House allowance	16,238,000
Committee recommendation	15,700,000

The Committee recommends an appropriation of $15,700,000. The Committee recommendation is $538,000 below the budget estimate and the House allowance.

The Office of Administration [OA] was created in 1977 under Reorganization Plan No. 1 and Executive Order 12028. The purpose of the Office of Administration is to provide common, centralized administrative support and services to all of the organizations in the Executive Office of the President [EOP], and on request, services in direct support of the President. Ten separate agencies are in the EOP. Services which OA will provide to those organizations include personnel management, financial management, administrative services such as mail distribution, messenger services, printing and duplication and procurement, and data processing. This request will provide for 163 permanent positions, of which 24 are funded by reimbursements for systems development work. The staffing level is the same as fiscal year 1986.

The White House Office

1986 appropriation to date	$23,835,000
1987 budget estimate	25,179,000
House allowance	25,179,000
Committee recommendation	24,450,000

The Committee recommends an appropriation of $24,450,000 for the White House Office. The Committee recommendation is $729,000 below the budget estimate and the House allowance.

These funds provide the President with staff assistance and provide administrative services for the direct support of the President. This funding level will provide for 322 full-time permanent positions, the same number authorized in fiscal year 1986. Public Law 95–570 authorized appropriations for the White House Office and codified the activities of the White House Office.

Executive Residence at the White House

1986 appropriation to date	$4,380,000
1987 budget estimate	4,942,000
House allowance	4,942,000
Committee recommendation	4,700,000

The Committee recommends an appropriation of $4,700,000 for the Executive Residence at the White House. The Committee recommendation is $242,000 below the budget estimate and the House allowance.

These funds provide for the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electrical power and fixtures of the Executive Residence. The personnel funded from this account include cooks, gardeners, and other personnel involved in the day-to-day operation of the Executive Residence at the White House and official and ceremonial function expenses of the President to be expended and accounted for as provided by 3 United States Code 105, 109–110, 112–114. A total of 93 full-time work-years are provided this year.

The Committee has approved the budget request for nonrecurring funds to place new hardwood floors in the Red, Green, and Blue rooms.

Official Residence of the Vice President

1986 appropriation to date	$195,000
1987 budget estimate	211,000
House allowance	211,000
Committee recommendation	211,000

The Committee recommends an appropriation of $211,000 for the Official Residence of the Vice President, equal to the fiscal 1987 budget request and the House allowance.

This appropriation provides for the purchase, lease, and operation of appropriate equipment, furnishings, improvements, alterations, maintenance, repairs, services, and other provisions as may be required under the supervision of the Vice President to enable him to perform and dis-

charge appropriately the duties, functions, and obligations associated with his office. The appropriation also includes $60,000 for official entertainment expenses of the Vice President.

Special Assistance to the President

1986 appropriation to date	$1,717,000
1987 budget estimate	1,849,000
House allowance	1,849,000
Committee recommendation	1,790,000

The Committee recommends an appropriation of $1,790,000 for special assistance to the President. The Committee recommendation is $59,000 below the budget estimate and the House allowance.

This appropriation is to provide for a staff for the Vice President to carry out his executive branch functions and to enable the Vice President to provide assistance to the President. This funding will provide for a staff of 24 full-time permanent positions. This assistance takes the form of directed and special Presidentially assigned functions.

The Vice President serves as a member of the President's Cabinet and acts as Chairman when the President is absent (designated by the President) and he serves as Vice Chairman of the National Security Council (designated by the President) (member of NSC—National Security Act of 1947); he is also an adviser to the President on issues and national problems and assists the President in ceremonial functions and in the conduct of international affairs.

The Vice President also has a staff funded by the Senate for his duties in the legislative branch.

Council of Economic Advisers

1986 appropriation to date	$2,202,000
1987 budget estimate	2,346,000
House allowance	2,346,000
Committee recommendation	2,275,000

The Committee recommends an appropriation of $2,275,000 for salaries and expenses of the Council of Economic Advisers. The Committee recommendation is $71,000 below the budget estimate and the House allowance.

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

This appropriation will fund 34 full-time permanent positions, as well as 4 other positions.

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OFFICE OF POLICY DEVELOPMENT

1986 appropriation to date	$2,609,000
1987 budget estimate	2,665,000
House allowance	2,665,000
Committee recommendation	2,600,000

The Committee recommends $2,600,000 for the Office of Policy Development. The Committee recommendation is $65,000 below the budget estimate and the House allowance.

The Office of Policy Development is charged with advising and assisting the President in the formulation, evaluation, and coordination of long-range national domestic and economic policy. The Office of Policy Development has the central role in formulation of domestic policy and is responsible for coordinating and supporting the Cabinet Councils and for supporting the President's Economic Policy Advisory Board. The Office also provides support for several other functions within the Executive Office of the President, including planning and evaluation, Cabinet affairs, and drug abuse policy.

This budget proposes 42 full-time equivalent positions for fiscal year 1987.

NATIONAL CRITICAL MATERIALS COUNCIL

SALARIES AND EXPENSES

1986 appropriation to date	$478,000
1987 budget estimate	250,000
House allowance	250,000
Committee recommendation	100,000

The Committee recommends an appropriation of $100,000 to fund a National Critical Materials Council within the Executive Office of the President. The Committee recommendation is $150,000 below the budget estimate and the House allowance.

The National Critical Materials Council assists in the coordination of materials policies and programs and works with the various agencies with mineral and materials policy and program responsibilities.

NATIONAL SECURITY COUNCIL

1986 appropriation to date	$4,428,000
1987 budget estimate	4,627,000
House allowance	4,627,000
Committee recommendation	4,550,000

The Committee recommends an appropriation of $4,550,000 for the salaries and expenses of the National Security Council. The Committee recommendation is $77,000 below the budget estimate and the House allowance.

The primary purpose of the Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. Subject to direction by the President, it is the responsibility of the Council to assess and appraise the objectives, commitments, and risks of the United States in relation to actual and

potential military power, to consider policies on matters of common interest to the departments and agencies of the Government, and to make recommendations and other reports to the President.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

1986 appropriation to date	$35,695,000
1987 budget estimate	39,682,000
House allowance	34,274,000
Committee recommendation	37,000,000

The Committee recommends an appropriation of $37,000,000. The Committee recommendation is $2,682,000 below the budget estimate but $2,726,000 above the House allowance.

The Office of Management and Budget [OMB] assists the President in the discharge of his budgetary, management, and other executive responsibilities. The Office performs the function of assisting the President in the preparation and execution of the Federal budget. The Office also provides the President with an institutional staff capability in executive management—particularly in program evaluation and coordination, Government organization, and information and management systems.

OFFICE OF INFORMATION AND REGULATORY AFFAIRS

The authorizing committees in the House have requested the House to reduce funding for the Office of Information and Regulatory Affairs [OIRA] until certain disputes with regard to the regulation review procedure used by OMB is resolved with the respective committees. This reduction totals $5,408,000.

The questions raised by the House committees have been resolved with the Senate authorizing committee. As a result, the Committee has included in the reduced allowance funding for OIRA.

MARKETING ORDERS

Marketing orders which are authorized under the Agricultural Marketing Agreement Act of 1937, have made valuable contributions to the stability of many of our agricultural commodity markets. In addition to assuring orderly markets for both producers and consumers, marketing orders have provided for quality control standards, research and promotional programs, and supply management programs.

The Agricultural Marketing Agreement Act of 1937 gave direct supervision and control over the management of marketing orders to the U.S. Department of Agriculture. The Office of Management and Budget has never been given any legislative authority over marketing orders. OMB has attempted to become involved in the management of marketing order programs through the President's task force on regulatory review in recent years. The Committee has included language prohibiting OMB from acting with regard to marketing orders. The purpose of this language is to reaffirm USDA's sole authority in an area where they

have developed the necessary expertise and trained personnel over the years to effectively monitor and enforce agricultural marketing order programs.

ALCOHOL AND TOBACCO STATISTICAL DATA

The Committee has again included language which prohibits OMB from curtailing the collection and dissemination of alcohol and tobacco statistical data. The OIRA is apparently oblivious to the critical need for such data in addressing such problems as alcohol abuse, public health, and industrial safety.

The Committee, however, recognizes the continuing need and directs ATF to continue the monthly collection of alcoholic beverage statistics.

ALCOHOLIC BEVERAGE LABELING

The Committee has included language which bars OMB from interfering with the administration of the FAA Act as it relates to regulation of alcoholic beverage labeling.

The OIRA recently attempted to effectively terminate the Bureau of Alcohol, Tobacco and Firearms' statutory program for prior review and approval of alcoholic beverage labels. Had OIRA been successful, the Bureau of Alcohol, Tobacco and Firearms would have been deprived of the capability it needs to keep contaminated beverages out of the marketplace, as it recently did in the case of imported wines contaminated by industrial chemicals.

Thanks to ATF's prudent use of its statutory authority in that case, there is not one documented instance of a U.S. consumer having been harmed by that contaminated wine, although over 500,000 cases were recalled from the market.

This Committee will not endorse deregulation efforts which threaten the American consumer. We, therefore, direct that OMB not interfere with the Department of the Treasury in its performance of labeling regulation functions.

ANNUAL GRANT AWARD PILOT

The Committee notes that the Office of Management and Budget has delayed the implementations of the annual award pilot program already consented to by Treasury, Health and Human Services, and the seven States agreeing to participate. OMB has done this by insistence that the annual pilot operate no differently than if it were still a quarterly program. The Committee understands that this insistence has placed the implementation of the pilot program in jeopardy.

The pilot is designed to test fairly and fully whether annual grant awards can reduce administrative costs associated with the current system, without loss of accountability.

The Committee directs OMB to proceed forthwith—without regard to the allocation limitations inherent in the current quarterly award processes, but with the adequate alternative safeguards agreed to by Treasury, Health and Human Services, and the participating States—so that the value of the concept can be demonstrated.

TRANSCRIPT REVIEW

The Committee has struck language included by the House which prohibits OMB from reviewing certain transcripts.

OFFICE OF FEDERAL PROCUREMENT POLICY

1986 appropriation to date	$1,542,000
1987 budget estimate	1,660,000
House allowance	1,660,000
Committee recommendation	1,600,000

The Committee recommends an appropriation of $1,600,000 for the Office of Federal Procurement Policy [OFPP]. The Committee recommendation is $60,000 below the budget estimate and the House allowance.

The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch.

The Office of Federal Procurement Policy funds the Federal Acquisition Institute to serve as the interagency focal point for promoting and coordinating Government-wide planning, development, implementation, and evaluation of programs in procurement, research, education and training, and career development.

UNANTICIPATED NEEDS

1986 appropriation to date	$957,000
1987 budget estimate	1,000,000
House allowance	1,000,000
Committee recommendation	500,000

The Committee recommends an appropriation of $500,000 for unanticipated needs. The Committee recommendation is $500,000 below the budget request and the House allowance.

These funds enable the President to meet unanticipated needs in furtherance of the national interest, security, or defense. During the past year one allocation has been made to fund the creation and operation of the task force on combating terrorism.

The Committee notes that $1,000,000 has traditionally been appropriated for this activity. In recent years, much less has been utilized. The Committee does not wish to diminish the President's flexibility to utilize these funds. If the need arises, the Committee will consider a supplemental request.

TITLE IV—INDEPENDENT AGENCIES

Administrative Conference of the United States

1986 appropriation to date	$1,369,000
1987 budget estimate	1,559,000
House allowance	1,559,000
Committee recommendation	1,369,000

The Committee recommends an appropriation of $1,369,000 for the Administrative Conference of the United States. The Committee recommendation is $190,000 below the budget estimate and the House allowance.

The Conference is authorized on a permanent basis to assist the President, the Congress, the administrative agencies, and executive agencies in improving administrative procedure. It is responsible for conducting studies of the efficiency, adequacy, and fairness of present procedures by which the Federal administrative agencies and executive departments determine the rights, privileges, and obligations of private persons. On the basis of such studies, the Conference issues formal recommendations for improvements and then encourages implementation of the recommendations through appropriate agency, congressional, or judicial action.

In addition to its research activities, the Conference also arranges for the interchange among administrative agencies of information useful in improving administrative procedures; collects, tabulates, analyzes, and publishes statistics from administrative agencies to identify and correct delays and other problems in the administrative process; and, on an ongoing basis, furnishes assistance and advice on matters of administrative procedure to the agencies, Congress, and others.

Advisory Commission on Intergovernmental Relations

1986 appropriation to date	$1,953,000
1987 budget estimate	2,090,000
House allowance	1,045,000
Committee recommendation	1,953,000

The Committee recommends an appropriation of $1,953,000 for the Advisory Commission on Intergovernmental Relations. The Committee recommendation is $137,000 below the budget estimate, but $908,000 over the House allowance.

The Commission is an independent, bipartisan body which attempts to identify and analyze the causes of intergovernmental conflicts, and recommends ways of strengthening and improving the American Federal system. The Commission includes representatives of the executive, legislative, and administrative branches of all levels of government—

Federal, State, and local—as well as representatives of the general public.

The House reduced funding for the Commission appropriation by $1,045,000 and recommended the Commission assess the States and District of Columbia an amount sufficient to cover the reduction. The Committee concurs with the House that the States garner considerable assistance from work the Commission does, and should, therefore, shoulder a larger financial responsibility than currently exists. The Committee believes, however, that it is essential that the Commission's work be accomplished during 1987 without interruption which could be caused by such a funding reduction. The Committee has, therefore, not concurred with the size of reduction.

The Committee wants to stress its agreement with the House on the funding issue. The States should take a more active role, and the Committee directs the Commission to encourage the State to take a more active role in funding and that the fiscal year 1988 budget submission represent such a change.

Advisory Committee on Federal Pay

1986 appropriation to date	$201,000
1987 budget estimate	229,000
House allowance	229,000
Committee recommendation	201,000

The Committee recommends an appropriation of $201,000 for the Advisory Committee on Federal Pay. The Committee recommendation is $28,000 below the budget estimate and the House allowance.

The Advisory Committee was appointed in accordance with the Federal Pay Comparability Act of 1970 and consists of three private citizens who are not Federal Government employees. The Advisory Committee assists the President in carrying out the policy of comparability in pay between major Federal statutory pay systems and private enterprise. The Advisory Committee reviews the annual report of the President's pay agent and considers the recommendations of representatives of Federal employees and other officials of the Federal Government. The Advisory Committee then prepares for the President an independent report with its findings and recommendations.

The Advisory Committee also meets jointly throughout the year with the Federal Employee's Pay Council and the President's pay agent in an attempt to resolve any issues between them, by providing advisory opinions on unresolved issues.

Committee for Purchase From the Blind and Other Severely Handicapped

1986 appropriation to date	$699,000
1987 budget estimate	778,000
House allowance	778,000
Committee recommendation	699,000

The Committee recommends $699,000 for the Committee for Purchase From the Blind and Other Severely Handicapped [CPBOSH]. The

Committee recommendation is $79,000 below the budget estimate and the House allowance.

The Committee was established by the Javits-Wagner-O'Day Act of 1971.

The Committee's primary objective is to increase the employment opportunities for the blind and other severely handicapped and, whenever possible, to prepare them to engage in normal competitive employment. The Committee determines which commodities and services are suitable for Government procurement from qualified nonprofit agencies serving the blind and other severely handicapped; publishes a procurement list of such commodities and services; determines the fair market price for commodities and services on the procurement list; and makes rules and regulations necessary to carry out the purposes of the act.

The Committee staff supervises the selection and assignment of new commodities and services, assists in establishing prices, reviews and adjusts these prices, verifies the qualifications of workshops, and monitors their performance. It is estimated that 2,060 items will be made available on the procurement list with total sales in excess of $330,000,000, involving 318 blind and other severely handicapped workshops.

The Committee has deleted language included by the House which would require CPBOSH to require participating designated central nonprofit agencies [CNA's] to establish annual goals for progress in terms of increased representation of employees with severe disabilities. The Committee does not disagree with the fact that the National Institutes for the Blind and the National Industries for the Severely Handicapped should be a showcase for hiring of the handicapped, but that setting quotas is not the answer. This is an issue that the appropriate authorizing committees should review and make the adjustments in the Javits-Wagner-O'Day Program. Neither CPBOSH nor this Committee should be the ultimate decision maker.

Federal Election Commission

1986 appropriation to date	$11,898,000
1987 budget estimate	12,800,000
House allowance	12,000,000
Committee recommendation	12,800,000

The Committee recommends an appropriation of $12,800,000 for the Federal Election Commission [FEC]. The Committee recommendation equals the budget request and exceeds the House allowance by $800,000.

The Commission monitors compliance with the law relative to limitations on campaign expenditures and political contributions to provide for public financing of Presidential nominating conventions and Presidential primary elections and performs other tasks relative to Federal elections.

General Services Administration

Federal Buildings Fund—Limitations on Availability of Revenue

COMMITTEE FUNDING LEVELS

The Committee funding levels are slightly different from the budget estimate. They are consistent with S. 2397, the Public Buildings Authorization Act of 1986. The Committee on Environment and Public Works reviewed the request and after consultation and hearings with the General Services Administration, the Committee has adjusted funding levels to fund the rental of space activity at a higher level. The report (S. Rept. 99–366) accompanying S. 2397 explains in detail the reasons for the change.

CONSTRUCTION AND ACQUISITION OF FACILITIES

1986 appropriation to date	($246,919,000)
1987 amended budget estimate	(100,000,000)
House allowance	(160,096,000)
Committee recommendation	(120,672,000)

The Committee recommends a limitation of $120,672,000 for construction and acquisition of facilities in fiscal year 1987. The Committee recommendation is $20,672,000 over the budget estimate, but $39,424,000 below the House allowance.

The "Construction and acquisition of facilities" account is designed to provide suitable facilities to house Federal agencies through direct construction of new buildings, extensions to existing buildings, acquisition of U.S. Postal Service properties, and purchase of commercial properties from the private sector. Since the beginning of fiscal year 1985, this activity funds only site acquisition and construction. Design and supervision costs will be funded in the design and construction services activity.

The Committee has not approved funding for four projects the House has funded. These include proposed construction of a building in Jasper, AL ($3,376,000), advance design of projects in Miami, FL ($2,461,000) and Paterson, NJ ($1,500,000) and site and advance design for a project in Chicago, IL ($32,037,000). The above-noted projects have not been authorized by the Senate Committee on Environment and Public Works. The following projects have been authorized and are proposed for funding in this account:

Construction:	
Columbus, NM—Border station	$2,680,000
Wilkes-Barre, PA—Federal building	20,672,000
Payment of claims: Columbia, SC—Federal building	1,057,000
Construction projects, less than $500,000	1,000,000
Purchase of sites and buildings:	
Wellesley Island, NY—Border station	1,925,000
Other selected purchases	93,338,000

COLUMBUS, NM, BORDER STATION

The General Services Administration has prepared a prospectus for the construction of a new border station at Columbus, NM, as directed in the report accompanying the fiscal year 1986 Treasury, Postal Service, and General Government, and Related Agencies appropriations bill. The President's fiscal year 1987 budget request includes $2,680,000 to fully fund this project. The Committee has included the full amount of the President's budget request in the bill and directs GSA to proceed with the project on an expedited schedule consistent with its latest estimate of project completion in November 1988.

REPAIRS AND ALTERATIONS

1986 appropriation to date	($269,096,000)
1987 amended budget estimate	(362,044,000)
House allowance	(224,720,000)
Committee recommendation	(304,409,000)

The Committee recommends $304,409,000 for repairs and alterations in fiscal year 1987. The Committee recommendation is $57,635,000 below the budget estimate and $79,689,000 above the House allowance.

Under this activity, the General Services Administration [GSA] executes its responsibility for repairs and alterations of both Government-owned and leased facilities under the control of GSA. The major thrust of this year's funding will go toward health and safety projects. These projects include the replacement of transformers containing polychlorinated biphenyls [PCB's], asbestos abatement, and fire protection efforts.

The major goal of this activity is to provide commercially equivalent space to tenant agencies. Therefore, safety, the state of repair, appearance, and operating efficiency of facilities are given primary consideration in carrying out this responsibility. A portion of the fiscal year 1987 program is devoted to the basic work necessary to meet this goal and to keep the buildings in an occupiable condition.

Repairs and alterations workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and buildings managers. The work identified through these inspections is programmed in order of priority into the repairs and alterations construction automated tracking system and incorporated into a multiyear plan for accomplishment based upon funding availability and volume of repairs and alterations work that GSA has the capacity to execute annually.

The Repairs and Alterations Program, for purposes of fund control, is divided into two types of projects: line item and nonline item. The following is a definition of each category of project and a brief outline of the manner in which the Repairs and Alterations Program is executed by GSA.

New obligational authority is as follows:

Arizona, Phoenix: Federal building	$762,000
California:	
San Diego:	
Old Federal building	1,576,000
Federal building, courthouse	1,178,000
San Francisco:	
Post office, courthouse	1,683,000
Burton Federal Building	20,000,000
Colorado, Denver: Federal building, courthouse	8,540,000
District of Columbia:	
Federal building, new post office	1,700,000
Federal building No. 6	1,213,000
Federal building No. 8	1,886,500
Federal building No. 9	1,712,500
Federal building No. 10A	1,121,000
General Accounting Office	3,552,000
Justice	599,000
State	2,765,000
Steam distribution system	13,796,000
Florida, Miami: Federal building	11,481,000
Hawaii, Honolulu: Kalanianaole Federal building, courthouse	1,850,000
Illinois, Chicago: Railroad Retirement Board	5,200,000
Massachusetts, Boston: Kennedy Federal Building	13,544,000
Missouri:	
Kansas City:	
601 E. 12th	997,000
1500 E. Bannister	2,560,000
St. Louis:	
Mart Federal Building	20,000,000
4300 Goodfellow	2,176,000
Nevada, Las Vegas: Federal building, courthouse	2,197,000
New Jersey, Trenton, Federal building	2,070,000
New York, New York City: customs house	8,000,000
Oregon, Portland: Federal building	12,069,000
Texas, Dallas:	
Federal building	1,600,000
Terminal annex	4,600,000
Utah, Salt Lake City: Post office, courthouse	675,000
Virginia, Arlington: Pentagon	7,000,000
Wisconsin, Milwaukee: Federal building, courthouse	2,799,000
Wyoming, Casper: Federal building, courthouse	1,923,000
Subtotal	162,825,000
Minor repairs	141,584,000
Total	304,409,000

BLAIR HOUSE

The Committee provided funding for renovation of the President's Guest House—Blair House—in fiscal year 1985. Renovation is ongoing at this time. In the report accompanying the funding, concern was stated about the high cost of renovation. The Committee continues to have those concerns, so requests the Administrator of General Services to deliver a status report on the renovation by November 1, 1986.

PURCHASE CONTRACT PAYMENTS

1986 appropriation to date	($135,100,000)
1987 amended budget estimate	(143,442,000)
House allowance	(143,442,000)
Committee recommendation	(131,442,000)

The Committee recommends a limitation of $131,442,000 for purchase contract payments. The Committee recommendation is $12,000,000 below the budget estimate and the House allowance.

Both the Public Buildings Purchase Contract Act of 1954 and the Public Buildings Amendments of 1972 enabled GSA to enter into contractual arrangements for the construction of a backlog of approved, but unfunded projects. These purchase contracts require the Government to make periodic payments on the facilities over varying periods until title is vested with the Government. This activity provides for the payment of principal, interest, taxes, and other required obligations related to facilities acquired or to be acquired pursuant to both the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356) and the Public Buildings Amendments of 1972 (40 U.S.C. 602a). Through enactment of these laws, GSA constructed 73 buildings.

RENTAL OF SPACE

1986 appropriation to date	($866,000,000)
1987 amended budget estimate	(935,100,000)
House allowance	(935,100,000)
Committee recommendation	(985,000,000)

The Committee recommends a limitation of $985,000,000 for rental of space. The Committee recommendation exceeds the budget estimate and the House allowance by $49,900,000.

The General Services Administration is responsible for all functions of leasing general purpose space and land incident thereto for Federal agencies, except for cases where GSA has delegated its leasing authority (for example, the Departments of Agriculture, Commerce, and Defense may lease their own space under certain circumstances). GSA's basic policy is to lease privately owned buildings and land only when Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; when leasing proves to be more efficient than the construction or alteration of a Federal building; when construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or when completion of a new Federal building within a reasonable time cannot be assured.

The primary purpose of the Federal Buildings Fund is to make agencies responsible for the costs of the space which they occupy, and thus, cognizant of the need for significant economies in space use. To encourage such awareness GSA has intensified its efforts to improve space utilization through issuance of guidelines for establishment of agency-managed utilization programs, through the development of new space allocation standards for each agency, and through the establishment of the Space Planning Program to assist the agencies in their space assignment planning.

INCREASING LEASE COSTS

The cost of leased space is growing at an alarming rate. The GSA has done an admirable job of trying to get the amount of leased space under control, however, many agencies have been less than cooperative. Their reluctance to consolidate space, and/or move to lower cost space can be blamed for much of the problem. The fact that many leases are coming due for renewal is also adding to the increased costs. The Committee estimates the cost of leased space will increase significantly by 1990. In an effort to better understand this growing problem, the Committee directs the GSA to keep the Committee informed of its cost projections and of the steps it is taking to address the problem.

REAL PROPERTY OPERATIONS

1986 appropriation to date	($709,678,000)
1987 amended budget estimate	(734,319,000)
House allowance	(734,319,000)
Committee recommendation	(753,219,000)

The Committee recommends a limitation of $753,219,000 for real property operations. The Committee recommendation is $18,900,000 above the budget estimate and the House allowance.

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and for building services in leased space in the GSA inventory where the terms of the lease do not require the lessor to furnish such services.

Services included in building operations are cleaning, protection, maintenance, payments for utilities, fuel, and other miscellaneous activities such as grounds maintenance, elevator operations, and day-to-day servicing of tenants' needs. The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of the standard level user charge [SLUC], just as in the private sector tenants pay rent for space and services provided by lessors.

The Public Buildings Service is responsible for furnishing building services in GSA-operated facilities including cleaning, protection, elevator operations, mechanical and electrical operation and maintenance, heating and air-conditioning, and other servicing of structural components and grounds maintenance. Other related supporting services include the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; moving agencies into newly acquired space; on-site supervision of buildings services and operations; and consolidated contractual expertise and reviewing regional contracts. Further, due to considerations unique to their operation, GSA normally provides varying levels of nonreimbursable services, as appropriate, in agency headquarters' facilities, including the Executive Office of the President, located within the Washington Metropolitan area.

DELEGATED RESPONSIBILITY OF REAL PROPERTY OPERATIONS

In fiscal year 1983 a 5-year program was initiated under which operations authority for selected agency headquarters facilities within the National Capital region is to be delegated to the occupant agency. The following agencies were delegated operational responsibility for their headquarters facilities during fiscal year 1985: Central Intelligence Agency, Department of Agriculture, Housing and Urban Development, and the Federal Energy Regulatory Commission. The Health and Human Services headquarters and Internal Revenue Service headquarters were delegated in fiscal year 1986. The costs associated with these operations have been deleted from GSA's fiscal year 1987 request. The Veterans Administration headquarters will be delegated in fiscal year 1987. Agencies that have been delegated operational authority are to fund the cost of the delegated portions of these operations within their appropriations.

The Committee expects agencies to budget for delegated buildings and, therefore, GSA is instructed to report to the Committee by January 20, 1987, its plans for budgeting for buildings under the delegation program.

PROGRAM DIRECTION

1986 appropriation to date	($55,481,000)
1987 budget estimate	(57,090,000)
House allowance	(57,090,000)
Committee recommendation	(57,090,000)

The Committee recommends the budget request of $57,090,000 for program direction.

This activity provides for the overall general management, long- and short-range planning, and administration of all programs which are the responsibility of the Public Buildings Service. In addition, this activity finances the costs of management and administration of each of the individual activities of the Federal Buildings Fund including construction, repairs and alterations, purchase contract payments, rental of space, and real property operations. It further provides for the costs of essential supporting services for these activities which are funded on a centralized basis.

This activity supports all Public Buildings Service personnel-related costs incident to the direct Federal Buildings Fund programs, with the exception of those costs incurred by employees engaged in the day-to-day operation, maintenance, and protection of facilities, which are reflected in the real property operations activity. Program direction finances personnel and other related support costs pertaining to (1) acquisition, assignment, and utilization of space, and design and construction services in support of the real estate function; (2) buildings management, repairs and alterations, protection, and public utilities programs in support of the real property operations function; (3) long- and short-range planning and general management of all activities under the overall direction function; and (4) associated costs for Department of Labor

payment for employees compensation, unemployment compensation, personnel benefits, ADP services, contractual services, telecommunication and miscellaneous services which support all aspects of the Federal Buildings Fund Program under the centralized services function.

DESIGN AND CONSTRUCTION SERVICES

1986 appropriation to date	($133,227,000)
1987 amended budget estimate	(72,442,000)
House allowance	(62,951,000)
Committee recommendation	(62,205,000)

The Committee recommends $62,205,000 for the design and construction activity. The Committee recommendation is $10,237,000 below the budget estimate and $746,000 below the House allowance.

This budget activity provides for the direct funding, under a no-year authorization, of both in-house and contract costs of the design and management/inspection phases of new construction and repairs and alterations projects as well as nonproject-related technical services. This activity replaces funding for such services which was previously included in individual projects.

Fiscal year 1985 was the first year of operation for this budget activity and it proved most effective as a control feature. In fiscal year 1983 and fiscal year 1984 the costs of architectural/engineering [A/E] services, both in-house and contract, were funded by each individual project requiring such services (for example construction and acquisition of facilities, repairs, and alterations). This funding approach represents a new method of funding personnel and contractual costs. This activity does not represent a new program, but a mechanism for funding in-house personnel costs and A/E contractual costs for ongoing programs. This account will provide design funds for projects requested in the budget submission and additional projects authorized by the Senate.

Review of the Federal Buildings Fund

The Committee has tried for a long period of time to garner control over the amount the Federal Government pays for space, either in owned or leased property. It has been the belief that agencies within the Federal Government should be held accountable for the space they occupy. Therefore, an amount is included within each agency's budget request to pay for the space.

The General Services Administration, pursuant to the Public Buildings Act of 1972 (Public Law 92–313), acts as the Government's landlord and builder. In contrast to other programs funded through a direct appropriation, the activities of the Federal buildings program are financed through a rent-like program paid by agencies and referred to as the standard level user charge [SLUC]. These annual collections are deposited in the Federal Buildings Fund. Expenditures are made from this revolving fund for activities such as construction, alterations and repairs, rent, cleaning, utilities, protection, and other expenses associated with the operation and maintenance of Federal office buildings.

FEDERAL SUPPLY SERVICE, OPERATING EXPENSES

1986 appropriation to date	$155,944,000
1987 budget estimate	170,839,000
House allowance	170,839,000
Committee recommendation	160,944,000

The Committee recommends an appropriation of $160,944,000 which is $9,895,000 below the House allowance and the budget request.

This appropriation provides for governmentwide direction and coordination of a worldwide supply distribution system; management of supplies and personal property; transportation and travel management; vehicle fleet management; and property management activities for utilization, rehabilitation, and donation of Federal personal property.

1. *Supply.*—This activity provides for the operation of a worldwide supply system to contract for and distribute supplies and property to Federal agencies.

2. *Transportation.*—This activity provides a comprehensive governmentwide program for transportation and travel management, operation, and maintenance of motor equipment to meet the requirements of Federal agencies, development and execution of the automotive procurement function of the Government. Vehicle procurement functions and oversight responsibilities in direct support of the interagency motor pool system are financed through the General Supply Fund.

3. *Property management.*—This activity plans, directs, and coordinates on a worldwide basis programs and activities relating to maximum utilization of excess personal property; rehabilitation and reclamation of personal property; the transfer of surplus personal property for donation to the States and local organizations for public purposes and other purposes; and the disposal of excess Federal personal property (except DOD property) by sale.

4. *Service direction*—This activity provides executive leadership, management direction, and nationwide support for a National Supply Program, a governmentwide program for transportation/travel management and property management within the Office of Federal Supply and Services. It also develops policy and provides nationwide support services in the areas of budget administration, financial management, data systems, forecasting, management information systems, and economic analysis.

TRANSPORTATION AUDIT CONTRACTS

The expenses incurred in the transportation audit contract and contract administration program are financed from overcharges collected from carriers on transportation bills paid by the Government and other similar type refunds. This has been a very successful program that generates revenue for the Government.

The $5,200,000 expenditure limitation permitted recovery of overcharges of approximately $17,000,000. The expenditure limitation was increased to $7,600,000 in the Supplemental Appropriations Act, 1986 (Public Law 99–349), permitting recoveries of $24,000,000. For fiscal

year 1987, there is a potential for overcharge recoveries of approximately $30,000,000 if the expense limitation is raised to $10,500,000. The Committee believes that this represents a very good investment for the Government and recommends the expense limitation be raised to $10,500,000 for fiscal year 1987.

CONTRACTOR TRAVEL COSTS

The Committee believes that a careful examination of the effects of Public Law 99–234 on Government contractor travel costs should be conducted during the first 6 months of fiscal year 1987. This will allow the Committee to assess any inequities that may occur during the initial phase of experience under this new general Government travel law. Therefore, the Committee directs the General Accounting Office to report to the Committee on the effect of Public Law 99–234 governing the allowability and reasonableness of travel costs incurred by Government contractors.

This report shall set forth:

One, the number of travel days incurred by Government contractors during the period of August 1, 1986 through March 1, 1987, separating those incurred under cost-reimbursable contracts from those incurred under fixed-price contracts;

Two, under the categories of cost-reimbursable and fixed-price contracts, the following additional information shall be separately set out: *(i)* the number of travel days for which contractors were able to obtain Government rate discounts at hotels and motels; *(ii)* the number of travel days for contractor employees durectly charged to Government contracts; *(iii)* the number of travel days for contractor employees indirectly charged to Government contracts; *(iv)* the number of travel days for contractor employees whose time is charged partly to Government work and partly to commercial work; and the amount of costs incurred by contractors allocable to Government contracts which is not allowable under the statute; and

Three, said report shall be submitted to the Congress on or before April 15, 1987. The General Accounting Office shall submit a second report, containing the same data required in the first report, on or before August 1, 1987, reflecting the facts which occur between March 1, 1987 and July 1, 1987.

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

1986 appropriation to date	$38,108,000
1987 budget estimate	40,975,000
House allowance	40,975,000
Committee recommendation	39,108,000

The Committee recommends an appropriation of $39,108,000, which is $1,867,000 below the budget estimate and the House allowance.

This appropriation funds staff for the acquisition, administration, and disposal of national defense stockpile inventories; administration and

disposal of the Defense Production Act inventory; and utilization and disposal of excess and surplus real property in 1986.

The estimate provides for storage, maintenance, and inspection of stockpile materials; disposal of those stockpile materials excess to objectives and the acquisition of materials needed to meet objectives; the appraisal of real property; and continuing emphasis on reuse of existing real property to extend its useful life.

1. *National defense stockpile.*—This activity manages the national defense stockpile of strategic and critical materials required to keep the Nation's mobilization base viable. It includes costs of receiving, storing, inspecting, and maintaining the material in storage locations. This activity develops and implements plans and programs to acquire and dispose of stockpiled materials in accordance with statutory provisions. It includes the collection of technical, economic, and marketing data and an analysis of factors such as supply, demand, consumption, prices, specifications, and quality; these activities support the development of marketing and acquisition plans and programs, which are then implemented by the conduct of transactions in the commodities market.

2. *Real property.*—This activity promotes maximum utilization of real property by Federal agencies and minimizes new procurements of real property by transferring available excess property among agencies. It provides for the disposal of surplus real property by sale, exchange, lease, permit, assignment, or transfer, as well as the protection and maintenance of excess and surplus property pending its disposition. It also provides for the appraisal of excess and surplus property, necessary environmental and cultural analyses, disposition and predisposition reuse planning, and real property utilization surveys.

STORAGE OF SILVER

The House has included a provision in this bill, section 519, which requires the disposition of 5 million troy ounces of silver from the national defense stockpile. The Committee does not believe action to dispose of this amount of silver is in the best interests of the country at this time. The section has, therefore, been deleted.

FORT DeRUSSY

The Committee has carried a provision for a number of years with regard to the disposition of Fort DeRussy in Honolulu, HI. The GSA was prohibited from disposition of the property until an agreement was reached between the Federal Government and the State of Hawaii. An agreement has been reached.

The Committee has deleted the prohibition included in the House bill (section 509) and inserted new language which prohibits the sale, lease, or transfer of 26 acres of Fort DeRussy, which includes the Hale Koa Hotel, the Armed Forces recreation center, and the beach front area. The Administrator at General Services is authorized to sell the remaining 45 acres at a fair market value. The General Services Administration will relocate the U.S. Army Reserve centers and miscellaneous facilities located on that acreage.

PHOENIX INDIAN SCHOOL

The Committee has included a general provision (section 519) restricting the General Services Administration from disposing of, through exchange or transfer, or declaring as excess or surplus, or in any way encumbering the federally owned land on which the Phoenix Indian School is located in Phoenix, AZ. The Committee deems this action necessary due to the unique circumstances surrounding the future of the Phoenix Indian School which is presently located on this land, and future use of the property. It is the Committee's intention that any action by the GSA with respect to this land be reviewed and approved by the Congress.

National Defense Stockpile Transaction Fund

(Limitation on Availability of Revenue)

1986 appropriation to date	$19,020,000
1987 budget estimate	
House allowance (limitation)	5,000,000
Committee recommendation	5,000,000

The Committee recommends $5,000,000 which equals the House allowance, but exceeds the budget estimate by $5,000,000.

This fund was established by the Strategic and Critical Materials Stock Piling Act (Public Law 96–41) approved July 30, 1979, to finance the acquisition of strategic and critical materials and related transportation costs out of receipts from disposal sales of excess stockpile materials and to provide for the rotation of any material in the stockpile when necessary to prevent deterioration by replacement of the material with an equivalent quantity and substantially the same material.

This act was amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) which provided for: (1) payment of incidental expenses related to acquisition of materials; (2) availability of funds until expended unless otherwise provided in appropriation acts; (3) a limitation on the fund balance; and (4) requirements for certain plans and reports to be submitted to Congress.

The purpose of this fund is to provide for the acquisition of certain strategic and critical materials to preclude the dependency of the United States upon foreign sources for supplies of such materials in times of a national emergency. Related operating expenses are provided under the appropriation Federal Property Resources Service, operating expenses.

The Committee has deleted the $5,000,000 provided by the House for a grant to complete construction for a strategic materials research facility at the University of Massachusetts at Amherst.

The Committee recommends that the $5,000,000 be provided for completion of the MacKay School of Mines at the University of Nevada at Reno. Initial funds were provided in fiscal year 1986 and matched by the State of Nevada. This funding will also be matched by non-Federal resources.

General Management and Administration

SALARIES AND EXPENSES

1986 appropriation to date	$119,289,000
1987 budget estimate	125,374,000
House allowance	125,374,000
Committee recommendation	120,289,000

The Committee recommends an appropriation of $120,289,000 which is $5,085,000 below the House allowance and budget estimate.

This appropriation provides for policy direction and coordination of all GSA programs by the Administrator, his Deputy, 11 regional administrators, and congressional and external affairs; agencywide acquisition policy, planning, and coordination; and financing of administrative and financial services on a centralized and integrated basis for all GSA programs.

NOGALES, AZ, HOTEL/CONVENTION CENTER PROJECT

The Committee notes that the General Services Administration has been most helpful in facilitating the disposal of excess Federal land in Nogales, AZ, for the purpose of allowing the city of Nogales to establish a major hotel/convention center project on the site. GSA has not only streamlined the disposal process, but has agreed to work with the city of Nogales on appropriate credit terms for the purchase of the surplus land.

The Committee applauds the Administrator of GSA and his San Francisco regional staff for their willingness to work with the city of Nogales on this important and innovative project. The Committee trusts that GSA will continue to work closely with the city to expedite the GSA surplus land disposal process and take whatever appropriate steps are necessary to bring this economic development project to fruition.

PASSIVE RESTRAINT COST SAVINGS STUDY

The Committee directs the General Services Administration, in consultation with the National Highway Traffic Safety Administration, the Department of Labor, and the Office of Personnel Management, to undertake a comprehensive cost study of possible potential savings to the Federal Government if model year 1988 vehicles were equipped with automatic occupant restraint devices.

Office of Information Resources Management

OPERATING EXPENSES

1986 appropriation to date	$28,707,000
1987 budget estimate	30,653,000
House allowance	30,653,000
Committee recommendation	29,000,000

The Committee recommends an appropriation of $29,000,000, which is $1,653,000 below the budget estimate and House allowance.

This appropriation provides for the overall direction and coordination of comprehensive governmentwide programs for the management, procurement, and utilization of automated data processing, telecommunications, and office information equipment and services.

1. *Federal information resources management.*—This activity develops, plans, and directs governmentwide programs for the management and acquisition of Federal information resources. Develops and monitors governmentwide policies and regulations relative to the acquisition, management, and use of information resources. Plans, directs, and develops policies and regulations for improving Federal records and information management programs. Provides reimbursable technical assistance to Federal agencies on records and information problems.

2. *Central information services.*—This activity manages and directs data and information systems; provides data and information services; operates programs for the improvement of governmentwide software; and provides near-term planning, applied research and development, engineering, operation, and management of the Federal telecommunications system [FTS].

3. *Information resources procurement.*—This activity provides for the overall management, control, and coordination of governmentwide programs and activities relating to the procurement of ADP and telecommunications equipment, software, maintenance, and related supplies and services; the implementation of governmentwide ADP resources sharing programs; and the management of reimbursable ADP and telecommunications procurement programs financed through the Automatic Data Processing [ADP] Fund and the Federal Telecommunications Fund.

4. *Regional information services.*—This activity is the focal point for OIRM regional activities; provides for the overall management, control, and coordination of governmentwide programs and activities relating to the operation, maintenance, and utilization of local telecommunications equipment and services; provides for the management of reimbursable programs financed through the Federal Telecommunications Fund; and provides assistance to the public through the Federal Information Centers.

5. *GSA information systems.*—This activity develops and oversees GSA policy concerning the acquisition, development, and use of automated information systems, equipment, and facilities within the guidelines established by the Executive Steering Committee for Information Resources Management; it insures that the GSA ADP strategic plan is kept current; and that initiatives undertaken are consistent with the plan; develops and enforces standards and procedures to be used by GSA organizations in the central and regional offices in the acquisition, development, and use of automated information systems, equipment, and facilities; provides assistance and support to GSA organizations whose level of ADP activity does not warrant a full-time ADP staff, or to those who require support of a special nature; and manages internal common-use ADP and data communications facilities.

Office of the Inspector General

1986 appropriation to date	$18,447,000
1987 budget estimate	21,108,000
House allowance	21,108,000
Committee recommendation	20,000,000

The Committee recommends an appropriation of $20,000,000 for the Office of the Inspector General, which is $1,108,000 below the budget estimate and the House allowance.

The Office of Inspector General [OIG] implements in its entirety the provisions of the Inspector General Act of 1978.

Prior to the establishment of the Office of Inspector General, the unique disciplines of auditing, investigations, and inspections were disparate by functional as well as organizational separation. The implementation of the inspector general concept within the General Service Administration provided the ability to organize these disciplines and activities as multidisciplinary, programmatic teams and task forces independent from the influence of services and staff offices. According to GSA testimony in the past, the limited staffing resources assigned to the Office of Audits have seriously curtailed audit programs. Many agency programs have not been audited on a recurring basis within acceptable audit timeframes and many contracts not audited at all, simply because manpower and resources were unavailable. To prevent fraud, waste, and gross mismanagement within GSA requires that a visible, active, and effective audit posture be maintained. This audit posture must be capable of assessing internal management deficiencies, inadequate systems of control, and defective contracts and contracting procedures on a recurring basis. The cycle for conducting such audits, as well as to maintain an effective program of audit followup, should coincide insofar as possible with management planning schedules of the agency.

The Inspector General's Office consists of an Office of Audits, an Office of Investigations, an Office of Inspection, and an Office of Special Projects.

Allowance and Office Staff for Former Presidents

1986 appropriation to date	$1,065,000
1987 budget estimate	1,234,000
House allowance	1,176,000
Committee recommendation	1,171,800

The Committee recommends the budget request of $1,171,800 for allowances and office staff for former Presidents. This recommendation is $62,200 less than the budget request and $4,200 below the House allowance.

This appropriation provides for the pensions, office staffs, and related expenses for former Presidents Richard M. Nixon, Gerald R. Ford, and Jimmy Carter, and for pensions and postal franking privileges for the widow of former President Lyndon B. Johnson.

The lower amount recommended by the Committee is in accordance with a revised budget request submitted by the General Services Ad-

ministration. The revised request was made possible as a result of actions initiated by the Former Presidents to control costs, minimize their requirements, and to do their part toward achieving Gramm-Rudman-Hollings reductions, and to implement agreements reached on implementing GAO decision B–218989, dated January 27, 1986. Pursuant to that GAO decision the limitation on staff salaries for former President Ford has been reduced from $96,000 per year to $91,800 per year through 1994. The House did not have the amended information available at the time it considered this appropriation.

Below is listed a detailed breakdown of the fiscal year 1986 budget request:

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS, FISCAL YEAR 1987 REVISED

	Nixon	Ford	Carter	Jackson Place	Widows	Total
Personnel compensation	$96,000	$91,800	$96,000			$283,800
Personnel benefits	14,000	14,000	14,000			42,000
Benefits for former personnel:						
Pensions	86,200	86,200	86,200		$20,000	278,600
Unemployment compensation		2,700				2,700
Travel	15,500	35,000	2,000			52,500
Motor pool			3,000			3,000
Transportation of things	2,100	1,000	1,000			4,100
Rents, utilities, communications:						
Equipment rental/depreciation	3,500	2,500	1,000			7,000
Telephone	23,000	35,200	34,400			92,600
Postage	7,000	17,900	16,500		3,000	44,400
Rent	107,900	59,100	69,200	$54,000		290,200
Printing	2,200	1,600	6,200			10,000
Other services	1,000	4,700	15,600			21,300
Supplies and materials	7,000	7,700	4,900			19,600
Equipment	5,000	5,000	10,000			20,000
Total appropriation	370,400	364,400	360,000	54,000	23,000	1,171,800

National Archives and Records Administration

OPERATING EXPENSES

1986 appropriation to date	$97,004,000
1987 budget estimate	101,321,000
House allowance	105,321,000
Committee recommendation	100,321,000

The Committee recommends an appropriation of $100,321,000. The Committee recommendation is $1,000,000 below the budget estimate and $5,000,000 below the House allowance.

The National Archives and Records Administration became an independent agency on April 1, 1985. This appropriation provides for basic operations dealing with management of the Government's archives and records, operation of Presidential libraries, grants for historical publications, and for the review for declassification of all security classified information as it becomes 20 years old.

In 1987 records in the National Archives and Federal Records centers will total approximately 16.2 million cubic feet. The number of reference services expected to be provided will total 28.8 million.

This budget includes increases for additional preservation and the Carter Library.

The Committee has included $4,000,000 to fund grants provided by the National Historical Publications and Records Commission.

REPRODUCTION OF RECORDS

In recent years the issue is whether the Archives or a user agency should pay for reproduction costs. The Archives has insufficient funding to provide for any free reproduction for agencies. It should, therefore, be clarified that no funds are included in the Archive account for providing reproduction of records to Federal agencies. Agencies will be charged at cost in accordance with 44 United States Code 2112(c).

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

APPROPRIATION

1986 appropriation to date	$95,553,000
1987 budget estimate	99,846,000
House allowance	99,846,000
Committee recommendation	96,000,000

The Committee recommends a direct appropriation of $96,000,000 for the salaries and expenses of the Office of Personnel Management. The Committee recommendation is $3,846,000 below the budget estimate and the House allowance.

LIMITATION

(TRANSFER OF FUNDS)

1986 appropriation to date	($51,871,000)
1987 budget estimate	(55,400,000)
House allowance	(55,400,000)
Committee recommendation	(55,400,000)

The Committee recommends a limitation of $55,400,000, the full amount of the fiscal year 1987 budget request and the House allowance.

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs.

The 1987 direct appropriation of $96,000,000 recommended by the Committee is to carry out the program responsibilities of the Office of Personnel Management. These responsibilities include working with Federal agencies to assure the efficient and effective implementation of Federal personnel laws and regulations, assisting State and local governments in improving their personnel management systems, and supporting a number of other functions assigned to the OPM by law or Executive order.

The Office of Personnel Management is responsible for positive personnel management functions which include the following activities:

1. *Staffing services.*—This activity consists of: (*a*) recruiting; (*b*) examining; and (*c*) developing classification standards.

2. *Compensation.*—The OPM administers compensation and benefits programs for the Federal work force and retired Federal employees. These include: the Civil Service Retirement and Disability Fund, the Employees Life Insurance Fund, the Employees Health Benefits Fund, and the Retired Employees Health Benefits Fund.

3. *Work force effectiveness and development.*—This activity includes: (*a*) personnel management programs; (*b*) affirmative employment programs; (*c*) training assistance; and (*d*) labor-management relations.

4. *Compliance and investigations.*—This activity includes: (*a*) personnel management evaluations; (*b*) agency classification reviews; (*c*) work force information; and (*d*) assuring stability.

5. *Administrative services.*—This activity includes: (*a*) personnel and equal employment opportunity; (*b*) budget; (*c*) finance; (*d*) facilities, publishing, and acquisitions management; and (*e*) library and health service in support for all OPM programs.

6. *ADP services.*—This activity consists of the central computing facility and related functions in support of program requirements.

7. *Executive services.*—This activity includes: (*a*) executive direction; (*b*) policy development; (*c*) legal advice and representation; (*d*) public affairs; (*e*) legislative activities; (*f*) the inspector general; and (*g*) administration of the Senior Executive Service.

8. *Office of Government Ethics.*—This activity carries out the provisions of the Ethics in Government Act of 1978 and subsequent amendments.

9. *Other programs.*—This activity includes: (*a*) administration of the Voting Rights Act of 1965; and (*b*) operating expenses of the President's Commissions on Executive Exchange and white House Fellows.

PRESIDENT'S COMMISSION ON EXECUTIVE EXCHANGE

The Committee has included language which allows expenditures of up to $12,000 annually by the Commission for entertainment costs associated with Commission activities. It is important to note that these funds are not a Federal appropriation, but rather funds provided by the private industries whose employees are participating in the exchange.

COMBINED FEDERAL CAMPAIGN OVERSEAS SERVICE ORGANIZATIONS

If the Office of Personnel Management seeks to implement regulations regarding the Combined Federal Campaign, the Committee believes that OPM should deal fairly and equally with all federated groups, Therefore, the Committee has included language in the bill that directs OPM not to implement regulations (such as those currently proposed) which single out overseas service organizations for special eligibility determinations.

BLUE COLLAR PAY EXCEPTION

The bill includes a provision as in previous years, limiting pay increases for Federal blue collar employees to the same amount that Federal white collar employees get. The Committee takes note that the House-passed language incorporates the administration's proposal that preenactment negotiated wage increases be subject to the limitation in the same way other wage increases are. The Committee is concerned that this would amount to one of the parties to the contracts—the Government—abrogating contracts freely entered into, and the Committee has, therefore, reinstated the exemption for preenactment contracts as was provided in prior years. However, the Committee recognizes that exempting these increases defeats the purpose of the wage limit, namely, equitable treatment for all Federal employees, and accordingly wishes all parties to be aware that the Committee intends to apply the cap to all wage increases in future years without exception.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

1986 appropriation to date	$1,537,100,000
1987 budget estimate	1,469,357,000
House allowance	1,469,357,000
Committee recommendation	1,459,000,000

The Committee recommends an appropriation of $1,459,000,000 for Government payments for annuitants, employees health benefits. The Committee recommendation is $10,357,000 below the budget estimate and the House allowance.

The Committee has historically funded this account at the budget request level because it is a mandatory account. This year, however, the Committee has decided to fund this account at the level provided for by the budget resolution. The Budget Committee indicates that after a thorough assessment $1,459,000 is an adequate appropriation.

This appropriation funds the Government's share of health benefit costs for annuitants and survivors who no longer have an agency to contribute the Government's share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and Retired Employees Health Benefits Fund. These trust revolving funds are available for: (1) the payment of subscription charges to approved carriers for the cost of health benefits protection; (2) contributions for qualified retired employees and survivors who carry private health insurance; and (3) the payment of expenses incurred by the Office of Personnel Management in the administration of these programs.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

1986 appropriation to date	$4,407,234,000
1987 budget estimate	4,619,365,000
House allowance	4,619,365,000
Committee recommendation	4,557,000,000

The Committee recommends an appropriation of $4,557,000,000 for payment to the Civil Service Retirement and Disability Fund. The

Committee recommendation is $62,365,000 below the budget estimate and the House allowance.

This account, like the Government Payment for Annuitants, Employees Health Benefits is a mandatory account. Historically the Committee has funded this account at the request level. This year, however, the budget resolution, after reviewing the impact which is assumed, as a result of enactment of the new retirement program, that an appropriation of $4,557,000,000 is adequate to fund the requirements. The Committee, however, believes this funding level may not be adequate to cover actual costs. The Committee will monitor this situation closely.

The payment to the Civil Service Retirement and Disability Fund includes the appropriation and the permanent indefinite authorization required to provide for the contribution of the Government's share of retirement costs.

The Civil Service Retirement and Disability Fund was created in 1920 to administer the financing and payment of annuities for eligible employees who retire because of age and service or disability, and benefits to eligible survivors of employees who died in service or after retirement. In fiscal year 1987, membership in the civil service retirement system will consist of 2.7 million employees and about 2 million retired employees and survivors who will receive benefits totaling over $25,000,000,000 annually.

The payment to Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Government's share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (Public Law 91–93), the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (Public Law 98–168), and the Civil Service Retirement Spouse Equity Act of 1985 (Public Law 98–615). The payment is made directly from the General Fund of the U.S. Treasury, and is in addition to appropriated funds that will be contributed from agency budgets in fiscal year 1987.

Public Law 91–93 provides for an annual appropriation to amortize, over a 30-year period, all increases in retirement costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises. However, the effects of cost-of-living adjustments are not amortized. The total current appropriation for fiscal year 1987 is the sum of the annual payments authorized since the law was enacted in 1969 plus funding for the annuities of persons employed on the construction of the Panama Canal and widows of former Lighthouse Service employees. The total fiscal year 1987 current appropriation represents an increase of $212,131,000 from the amount requested for fiscal year 1986, primarily due to increases in employees pay.

Public Law 91–93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to: (1) 5 percent interest on the Civil Service Retirement and Disability Fund's current unfunded liability, calculated on static economic assumptions ($9,185,866,000), and (2) annuity disbursements

attributable to credit for military service ($2,034,084,000). The authorization in fiscal year 1987 will also include payments in accordance with Public Law 98–168, which instructs the Secretary of the Treasury to transfer an amount equal to the contribution deficiency resulting from coverage of new Federal employees under the Social Security Amendments of 1983 ($639,000,000) and Public Law 98–165 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 and who did not elect survivor coverage ($700,000). The permanent indefinite authorization in fiscal year 1987 will total $11,859,650,000, a decrease of $77,522,000 from fiscal year 1986. Almost all of this decrease results from a reduction in the unfunded liability due to cancellation of the fiscal year 1986 COLA in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

Federal Retirement Thrift Investment Board

SALARIES AND EXPENSES

1986 appropriation to date	$250,000
1987 budget estimate	
House allowance	
Committee recommendation	250,000

The Committee recommends an appropriation of $250,000. This exceeds the budget estimate and the House allowance by $250,000.

The President signed into law the Federal Employees' Retirement System Act of 1986 (Public Law 99–335). This act created a new retirement program with an effective date of January 1, 1987. One part of the program, however, was effective upon the date of enactment; that is, the Federal Retirement Thrift Investment Board. The Board will manage the thrift plan accounts and investments of employees.

This legislation authorizes appropriations for the first 2 years. After that time, the Board's expenses will be covered by investment returns. The Board received fiscal year 1986 funds upon enactment of the fiscal year 1986 Urgent Supplemental Appropriations Act (Public Law 99–349). Funds provided in this bill will exhaust the appropriations requirement.

Merit Systems Protection Board

SALARIES AND EXPENSES

1986 appropriation to date	$19,140,000
1987 budget estimate	20,251,000
House allowance	20,251,000
Committee recommendation	19,140,000

The Committee recommends an appropriation of $19,140,000 for the Merit Systems Protection Board. The Committee recommendation is $1,111,000 below the budget estimate and the House allowance.

LIMITATION

(TRANSFER OF FUNDS)

1986 appropriation to date	($1,200,000)
1987 budget estimate	(1,200,000)
House allowance	(1,200,000)
Committee recommendation	(1,200,000)

The Board created by Reorganization Plan No. 2 of 1978 and codified by the Civil Service Reform Act of 1978. The Merit Systems Protection Board [MSPB] assumed responsibility for the adjudicatory functions of the former Civil Service Commission. The MSPB is an independent judicial agency designed to protect the integrity of Federal merit systems against partisan political and other prohibited personnel practices, and to ensure adequate protection for employees against abuses by agency management.

The Merit Systems Protection Board is responsible for implementing the provisions of sections 1201 through 1209 of the Civil Service Reform Act of 1978.

Specifically, the major functions of the Board, as detailed in the Reform Act, are to (1) hear, adjudicate, or provide for the hearing or adjudication of all matters within the jurisdiction of the Board; (2) order any Federal agency or employee to comply with any order or decision issued by the Board under its authority, and enforce compliance with any such order; (3) conduct, from time to time, special studies relating to the civil service and to other merit systems in the executive branch, and report to the President and to the Congress as to whether the public interest in a civil service free of prohibited personnel practices is being adequately protected; and (4) review, under its authority, rules and regulations of the Office of Personnel Management.

OFFICE OF SPECIAL COUNSEL

1986 appropriation to date	$4,396,000
1987 budget estimate	4,640,000
House allowance	4,640,000
Committee recommendation	4,396,000

The Committee recommends an appropriation of $4,396,000 for the Office of Special Counsel. The Committee recommendation is $244,000 below the budget estimate and the House allowance.

Reorganization Plan No. 2 of 1978 established the Office of the Special Counsel, Merit Systems Protection Board. The Special Counsel is empowered to investigate prohibited personnel practices in Federal agencies and political activities prohibited by the Hatch Act by Federal, State, and local employees and to administratively prosecute offending employees and agencies before the Board. The Special Counsel may also transmit "whistleblower" allegations to the agency head concerned and require an agency investigation and a report thereon to the Congress and the President when found appropriate.

FEDERAL LABOR RELATIONS AUTHORITY

1986 appropriation to date	$16,330,000
1987 budget estimate	17,064,000
House allowance	17,064,000
Committee recommendation	16,330,000

The Committee recommends an appropriation of $16,330,000 for the Federal Labor Relations Authority. The Committee recommendation is $734,000 below the budget estimate and the House allowance.

The purpose of the Authority is to serve as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations Statute, and decide major policy issues, prescribe regulations, and disseminate information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the Federal Labor Relations Authority [FLRA] gives full recognition to the role of the Federal Government as an employer.

1. *Authority members.* The Authority adjudicates labor-management disputes in the Federal sector including: appeals on negotiability issues; exceptions to arbitration awards; appropriate units for the purposes of exclusive recognition; eligibility of labor organizations for national consultation rights and unfair labor practice complaints.

2. *Administrative law judges.* This activity provides for holding hearings on unfair labor practice complaints, issuing reports, and making recommendations to the Authority on each case to allow timely settlement of disputes arising between agencies and unions.

3. *Office of the General Counsel.* As the investigative and prosecutional activity of the Authority, this function includes: supervision of elections to determine exclusive recognition and certification of results; investigation of questions of representation and unfair labor practice charges; and prosecution of unfair labor practice complaints, and review of appeals of dismissals of unfair labor practice charges.

Federal Services Impasses Panel. The Panel is involved in the resolution of labor negotiation impasses between Federal agencies and labor organizations which arise under the Civil Service Reform Act of 1978, the Panama Canal Act of 1979, and other statutes. The Panel uses a variety of procedures including factfinding and arbitration.

ALLOCATION OF FUNDS

The Committee contemplated the establishment of separate accounts for each of the entities within the Authority. However, after a thorough review it has decided not to do so. The Committee does agree with the House that steps must be taken to ensure that increases and/or reductions allocated to accounts within the Authority are equitable. The Committee fully expects that funding and manpower levels presented in the budget presentation be provided to each activity within FLRA. Should the historic trend of the Office of General Counsel continue to shoulder the burden of any budget adjustments, line item accounts will be established for fiscal year 1988.

U.S. Tax Court

SALARIES AND EXPENSES

1986 appropriation to date	$23,500,000
1987 budget estimate	25,538,000
House allowance	25,538,000
Committee recommendation	25,000,000

The Committee recommends an appropriation of $25,000,000 for the U.S. Tax Court. The Committee recommendation is $538,000 below the budget estimate and the House allowance.

The U.S. Tax Court is an independent judicial body, the membership of which is composed of a chief judge and 18 judges. The Tax Reform Act of 1969 changed the status of the Court from an independent agency in the executive branch to a court of record under article I of the Constitution of the United States.

Decisions by the Court are reviewable by the U.S. courts of appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases assigned to them by the chief judge. The Court also has 17 special trial judges assigned to handle small tax case work.

The Court conducts trial sessions throughout the United States, including Hawaii and Alaska.

STATEMENT CONCERNING GENERAL PROVISIONS

This bill carries a number of general provisions, some of which are routine and have been carried for a number of years, and some are proposed for the first time this year.

Those general provisions that deal with a single agency only are shown immediately following that agency's appropriation in the accompanying bill. Others that deal with all of the agencies provided for in this bill are shown under title V, and those general provisions that are governmentwide in scope are shown under title VI of the accompanying bill.

There has been no separate Treasury, Postal Service and General Government Appropriation Act since fiscal year 1980. Funding has been provided under a series of continuing resolutions. In these resolutions, the general provisions carried in the 1980 Appropriation Act (Public Law 96–74) are continued, except the Sense of the Congress Resolution about the proceeds of the sale of former President Nixon's San Clemente residence.

TITLE V—GENERAL PROVISIONS

This Act

The Committee has recommended retaining the general provisions included in the House-passed measure, except House-numbered sections 510, 519, and 520. All of the retained sections have been included in Treasury bills for many years. The Committee has amended section 509. The Committee has added three new sections (secs. 518, 519, and 520). A summary of each section follows:

Sec. 501. Provides that travel expenses do not surpass certain limitations.

Sec. 502. Pertains to employment practices regarding veterans.

Sec. 503. Pertains to practices of establishing offices outside the District of Columbia.

Sec. 504. Limits funds to the current fiscal year.

Sec. 505. Provides that consultant contracts be available for public disclosure.

Sec. 506. Regards procurement of hand tools.

Sec. 507. Provides for employment of veterans in certain job categories.

Sec. 508. Pertains to labeling and advertising of wine and distilled spirits.

Sec. 509. Pertains to action with regard to disposition of Fort DeRussy in Honolulu, HI.

Sec. 510. Prohibits discontinuation of existing requirements for surety bonds.

Sec. 511. Pertains to enforcement of section 307 of the Tariff Act.

Sec. 512. Prohibits transfer of control of the Federal Law Enforcement Training Center.

Sec. 513. Prohibits the use of funds for certain propaganda purposes.

Sec. 514. Prohibits the use of appropriated funds from being used to prevent certain Federal employees from contacting Members of Congress.

Sec. 515. Prohibits use of certain funds from being obligated for certain vehicles unless certain mileage requirements are met.

Secs. 516 and 517. Prohibits abortion coverage in Federal employee health benefits.

Sec. 518. Prohibits the procurement of stainless steel flatware except in certain circumstances.

Sec. 519. Prohibits sale or transfer of land on which the Phoenix Indian School, Phoenix, AZ, is located.

SEC. 520. Prohibits sale or transfer of Army Corps of Engineers property in the vicinity of Bull Shoals Lake in Arkansas.

The Committee struck sections included in the House bill prohibiting closure of a General Services Administration office in Sacramento, CA; a section setting a limitation on the amount of silver in the national defense stockpile; and the use of all proceeds generated from the silver disposal; and the use of all funds authorized before January 1, 1985, from the stockpile transaction fund by the Administrator of GSA or any other Federal officer assuming the stockpile management responsibilities, to evaluate, test, relocate, upgrade, or purchase stockpile materials.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

The Committee has included all of the sections maintained in the House bill except House numbered sections 614, 618, 622, and 623; sections 601 through 608 and 610 through 612; and sections 614 and 615 are included in this bill exactly as they have been carried in the past several bills. Section 609 has been amended to expand police coverage of Federal buildings. Section 613 has been amended to apply to fiscal year 1987. Section 619 has been amended to delay implementation of small business set-asides until April 30, 1987, to allow for congressional review. The Committee has agreed to retain one new House section and added two new sections. A section-by-section description follows:

SEC. 601. Sets price limitation on vehicles purchased for use by the Federal Government.

SEC. 602. Pertains to availability of funds for quarters allowance.

SEC. 603. Pertains to certain citizenship requirements for employment in the Federal Government.

SEC. 604. Pertains to funds made available to the General Services Administration for renovation of buildings and facilities.

SEC. 605. Pertains to rentals in the District of Columbia.

SEC. 606. Prohibits persons who have not been approved for office by the Senate from filling those positions.

SEC. 607. Regards foreign credits owed to or owned by the United States.

SEC. 608. Pertains to the use of certain interagency financing.

SEC. 609. Provides for making funds available for guards for the General Services Administration and Postal Service under certain conditions.

SEC. 610. Prohibits the use of funds for certain purchase contract payments.

SEC. 611. Prohibits the use of funds for enforcing regulations disapproved in accordance with applicable law.

SEC. 612. Maintains limitation on rate per square foot that the General Services Administration can charge.

SEC. 613. Requires that Federal blue-collar workers receive the same rate of pay increase that white-collar workers receive.

SEC. 614. Limits the amount of funds that can be used to remodel certain offices.

SEC. 615. Pertains to the criteria for the establishment of day care centers in Federal buildings.

SEC. 616. Provides transportation to the United States for families of Federal employees serving abroad when the employee has a life-threatening illness or dies.

SEC. 617. Requires the Combined Federal Campaign to operate under rules and regulations 1986 and 1987 as it did in 1985.

SEC. 618. Prohibits issuance of a regulation requiring competitive procurement of electric, gas, or steam utility service by the Federal Government.

The Committee has concurred with the House on including a prohibition on the use of funds to implement or enforce the rule proposed on May 7, 1986 (51 Federal Register 16988–16991) or any other regulation which requires competitive procurement of electric, gas, or steam utility service by the Federal Government. This limitation is necessary to avoid potentially serious harm to customers of utility systems that could result if competitive acquisition provisions are adopted for general application by the Federal Government.

The Committee has adopted this section to protect utility customers from the burden of increased rates that inevitably would result if Federal facilities abandon local utility systems. Utility systems have built necessary capacity under State-created obligations to serve all customers, including Federal facilities, within their service territories. As a general rule, under State law only one utility is authorized to provide retail utility service within its service territory. The proposal has serious legal, technical, and economic repercussions. The Committee intends that this provision avoid these detrimental consequences.

The May 7 proposal raises serious problems as well with respect to the fundamental regulatory scheme which has applied for the last 50 years to the sale and distribution of electricity. Under the Federal Power Act of 1935 (16 U.S.C. 824 et seq.), and subsequent legislation such as the Public Utility Regulatory Policies Act of 1978. Congress has exerted exclusive jurisdiction over sales of electricity for resale in interstate commerce while at the same time expressly reserving to the States authority to regulate the retail sale and distribution of electricity. The autonomy of the States in this area has historically been preserved by Federal statute. The proposed rules disregard State authority over retail electric sales by directing Federal contracting officers to ignore State-created utility service territories when procuring electric service. In effect the rule proposes to dismantle the current, long established regulatory system by permitting the Federal Government, the Nation's largest single electricity consumer, to disregard the rules governing all other participants in the heavily regulated market for retail electric service.

SEC. 619. Prohibits action on new regulations pertaining to the small business set-aside program known as the rule of two. The House included a prohibition for the entire year. The Senate amendment denies funds for implementation before April 30, 1987, if changes are necessary subsequent to amendments made by section 911 of H.R. 4428.

SEC. 620. Pertains to protective authority of the Secret Service.

SEC. 621. Pertains to the issue of exclusive distribution territories for the malt beverage industry.

The Committee has struck sections pertaining to the administration of the Customs Service, the eligibility of a single organization for participation in the Combined Federal Campaign, a prohibition on implementation of OMB Circular A–21, and a 9.75-percent across-the-board cut for all agencies except the Bureau of Alcohol, Tobacco and Firearms; the U.S. Customs Service; the Internal Revenue Service; and the Financial Management Service.

DEFINITION OF "PROGRAM, PROJECT, AND ACTIVITY" AS PROVIDED FOR BY PUBLIC LAW 99–177, THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

During fiscal year 1987, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Treasury, Postal Service, and General Government Appropriations Act, 1987 as passed the House including this House report which accompanies that act. (Under the above definition, the Federal Buildings Fund, the Bureau of Engraving and Printing Fund, and other intragovernmental funds are exempt under section 255(g)(1) of Public Law 99–177.)

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

In title I, the Committee recommends the following appropriations which lack authorization:

$760,000,000 for salaries and expenses, U.S. Customs Service;

$87,819,000 for operations and maintenance, Air Interdiction Program, U.S. Customs Service;

$8,000,000 for the forefeiture fund, U.S. Customs Service;

$365,000 for customs services at small airports, U.S. Customs Service;

$42,508,000 for salaries and expenses, U.S. Mint;

$694,000 for expansion and improvements, U.S. Mint;

$92,000,000 for salaries and expenses, Internal Revenue Service;

$1,215,000,000 for processing tax returns, Internal Revenue Service;

$1,530,000,000 for examinations and appeals, Internal Revenue Service; and

$1,098,000,000 for investigations, collections, and taxpayer service, Internal Revenue Service.

In title III, the Committee recommends the following appropriations which lack authorization:

$5,048,000 for the Office of Information and Regulatory Affairs.

In title IV, the Committee recommends the following appropriations which lack authorization:

$1,369,000 for salaries and expenses, Administrative Conference of the United States; and

$2,414,037,000 for the limitation on availability of revenue, Federal Buildings Fund, General Services Administration which is $9,600,000 above the level authorized in S. 2397, the Public Building Authorization Act of 1986 report by the Committee on Environment and Public Works.

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of Rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

The Committee recommends language which amends section 2254 of title 18 United States Code as follows:

§ 2254. Civil forfeiture

(a) The following property shall be subject to forfeiture by the United States:

(1) Any material or equipment used, or intended for use, in producing, reproducing, transporting, shipping, or receiving any visual depiction in violation of this chapter, *and any property, real or personal, tangible or intangible, which was used or intended to be used, in any manner or part, to facilitate a violation of this chapter.*

(2) Any visual depiction produced, transported, shipped, or received in violation of this chapter, or any material containing such depiction.

(3) Any property constituting or derived from gross profits or other proceeds obtained from a violation of this chapter, except that no property shall be forfeited under this paragraph, to the extent of the interest of an owner, by reason of any act or omission established by the owner

to have been committed or omitted without the knowledge or consent of that owner.

(b) All provisions of the customs law relating to the seizure, summary and judicial forfeiture, and condemnation of property for violation of the customs laws, the disposition of such property or the proceeds from the sale thereof, the remission or mitigation of such forfeitures, and the compromise of claims, shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under this section, insofar as applicable and not inconsistent with the provisions of this section, except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures and forfeitures of property under this section by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General *or the Postal Service*, except to the extent that such duties arise from seizures and forfeitures effected by any customs officer.

(c) The Postal Service may carry out a forfeiture under this section if the violation involves the mails. The Postal Service shall exercise the authority of the Attorney General under subsection (b) of this section with respect to such forfeiture.

(d) The authority of the Postal Service under subsection (b) shall be exercised only where the conduct with respect to which such seizure or forfeiture occurs includes use of the mails in violation of this chapter.

§ 2003. The Postal Service Fund

(a) There is established in the Treasury of the United States a revolving fund to be called the Postal Service Fund which shall be available to the Postal Service without fiscal-year limitation to carry out the purposes, functions, and powers authorized by this title.

(b) There shall be deposited in the Fund, subject to withdrawal by check by the Postal Service—

(1) revenues from postal and nonpostal services rendered by the Postal Service;

(2) amounts received from obligations issued by the Postal Service;

(3) amounts appropriated for the use of the Postal Service;

(4) interest which may be earned on investments of the Fund;

(5) Any other receipts of the Postal Service; [and]

(6) the balance in the Post Office Department Fund established under former section 2202 of title 39 as of the commencement of operations of the Postal Service[.]*; and*

(7) amounts (including proceeds for the sale of forfeited items) from any civil administrative forfeiture conducted by the Postal Service under title 18.

(c) If the Postal Service determines that the moneys of the Fund are in excess of current needs, it may request the investment of such amounts as it deems advisable by the Secretary of the Treasury in obligations of, or obligations guaranteed by, the Government of the United States, and, with the approval of the Secretary, in such other obligations or securities as it deems appropriate.

(d) With the approval of the Secretary of the Treasury, the Postal Service may deposit moneys of the Fund in any Federal Reserve bank, any depository for public funds, or in such other places and in such manner as the Postal Service and the Secretary may mutually agree.

(e) The Fund shall be available for the payment of all expenses incurred by the Postal Service in carrying out its functions [under this title] *as provided by law* and, subject to the provisions of section 3604 of this title, all of the expenses of the Postal Rate Commission. Neither the Fund nor any of the funds credited to it shall be subject to apportionment under the provisions of section 665 of title 31.

(f) Notwithstanding any other provision of this section, any amounts appropriated to the Postal Service under subsection (d) of section 2401 of this title and deposited into the Fund shall be expended by the Postal Service only for the purposes provided in such subsection.

The Committee further recommends language that:

(a) The General Services Administration shall not sell, lease, transfer, or otherwise dispose of any portion of the approximately twenty-six acres of Fort DeRussy, Hawaii, lying southeast of Kalia Road, which includes the Hale Koa Hotel, the Armed Forces Recreation Center, and beachfront area.

(b) However, notwithstanding any other provision of law, the Secretary of the Army (hereinafter referred to as the "Secretary") is directed to sell and convey to the State of Hawaii or the city and county of Honolulu through the General Services Administration, at the fair market value as determined by, and upon such terms and conditions as are acceptable to the Administrator of General Services, the remaining approximately forty-five acres of Fort DeRussy lying northeast of Kalia Road, which comprises the three United States Army Reserves Centers and miscellaneous facilities. The exact acreages and legal descriptions shall be determined by the Secretary.

(c) The Secretary is authorized to acquire land and design and construct such facilities as are necessary to replace those on the land to be sold pursuant to subsection (b). The Secretary is also authorized to relocate activities currently located at Fort DeRussy to such replacement facilities.

(d) The sale authorized to be conducted pursuant to subsection (b) shall be contingent on appropriation to the General Services Administration of funding (to remain available until expended) necessary to acquire land and replace facilities authorized to be acquired or constructed pursuant to subsection (c) and to pay associated relocation costs.

(e) The proceeds of the sale authorized in subsection (b) shall be covered by the Administrator of General Services into the Treasury as miscellaneous receipts.

The Committee further recommends a provision which amends section 609 of H.R. 3036 referenced in section 101(h) of Public Law 99–190 as follows:

SEC. 609. Funds made available by this or any other Act to (1) the General Services Administration, including the fund created by the Public Building Amendments of 1972 (86 Stat. 216), and (2) the "Postal Service Fund" (39 U.S.C. 2003), shall be available for employment of guards for all buildings and areas owned or occupied by the United States or the Postal Service and under the charge and control of the General Services Administration or the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318), but shall not be restricted to certain Federal property as otherwise acquired by the proviso contained in said section and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318c): *Provided, That when the Administrator of General Services delegates responsibility to protect property under his charge and control to the head of another Federal agency, that agency may employ guards to protect the property who shall have the same powers of special policemen in same manner as the foregoing.*

The Committee further recommends provisions which amend section 613 of H.R. 3036 referenced in section 101(h) of Public Law 99–190 as follows:

SEC. 613. (a)**[**(1)**]** Notwithstanding any other provision of law, *and except as otherwise provided in this section,* no part of any of the funds appropriated for the fiscal years ending September 30, **[**1986**]** *1987*, or September 30, **[**1987**]** *1988*, by this Act or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code, or any employee covered by section 5348 of that title**[**, on or after the applicable date**]**—

(1) during the period from the date of expiration of the limitation imposed by section [616(a)(2)] *613* of H.R. [5798] *3036*, incorporated by reference in section 101[(j)]*(h)* of Public Law [98–473] *99–190*, [ceases to apply, at a rate that differs from] *until the first day of the first applicable pay period that begins not less than ninety days after that date, in an amount that exceeds* the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section [616(a)(2), except as provided under paragraph (2) of this subsection.] *613; and*

(2) [The Office of Personnel Management shall provide for any necessary adjustments of wage schedules and rates for the period covered by paragraph (1) of this subsection for employees subject to paragraph (1) so as to ensure that—]

[(A) such wage schedules and rates are adjusted upwards or downwards, as the case may be, by an average percentage amount consistent with any adjustment taking effect for the General Schedule under section 5305 of title 5, United States Code, or other provision of law during such period; and]

[(B) any such adjustment takes effect in each affected wage area at a time that bears the same relationship to the normal effective date of wage adjustments in that wage area that the effective date of the General Schedule adjustment bears to the effective date specified in section 5305(a)(2) of title 5, United States Code.] *during the period consisting of the remainder, if any, of fiscal year 1987 and that portion of fiscal year 1988 that precedes the normal effective date of the applicable wage survey adjustment that is to be effective in fiscal year 1988, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) of this subsection by more than the overall average percentage adjustment in the General Schedule during fiscal year 1987.*

(b) Notwithstanding the provisions of section 9(b) of Public Law 92–392 or section 704(b) of Public Law 95–454, the provisions of subsection (a) of this section shall apply (in such manner as the Office of Personnel Management shall prescribe) to any prevailing rate employee to whom such section 9(b) applies, except that the provisions of subsection (a) may not apply to any increase in a wage schedule or rate that is required by the terms of a contract entered into before the date of enactment of this Act.

(c) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, may be paid during the periods for which subsection (a) of this section is in effect at [rates] *a rate* that exceeds the rates that would be

payable under subsection (a) were subsection (a) applicable to such employee.

(d) For the purpose of this section, the rates payable to *an* employee[s] who [are] *is* covered by this section and who [are] *is* paid from a schedule that was not in existence on September 30, [1985] *1986*, shall be determined under regulations prescribed by the [President] *Office of Personnel Management.*

(e) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section [shall] *may* not be changed from the rates in effect on September 30, [1985] *1986*, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(f) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, [1985] *1986*.

(g) For the purpose of administering any provision of law, rule, or regulation that provides premium pay, retirement, life insurance, or any other employee benefit, that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of *salary or* basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(h) Nothing in this section may be construed to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(i) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

The Committee further recommends that section 202 of title 3 United States Code be amended as follows:

§ 202. United States Secret Service Uniformed Division; establishment, control, and supervision; privileges, powers, and duties

There is hereby created and established a permanent police force, to be known as the "United States Secret Service Uniformed Division". Subject to the supervision of the Secretary of the Treasury, the United States Secret Service Uniformed Division shall perform such duties as the Director, United States Secret Service, may prescribe in connection with the protection of the following: (1) the White House in the District of Columbia; (2) any building in which Presidential offices are located; *(3) the Treasury Building and grounds;* [(3)] *(4)* the President and members of his immediate family; [(4)] *(5)* foreign diplomatic missions located in the metropolitan area of the District of Columbia; [(5)] *(6)* the temporary official residence of the Vice President and grounds in the District

of Columbia; [(6)] *(7)* the Vice President and members of his [immediately] *immediate* family; [(7)] *(8)* foreign diplomatic missions located in metropolitan areas (other than the District of Columbia) in the United States where there are located twenty or more such missions headed by full-time officers, except that such protection shall be provided only (A) on the basis of extraordinary protective need, (B) upon request of the affected metropolitan area, and (C) when the extraordinary protective need arises in association with a visit to or occurs at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such organization, provided that such protection may be provided for motorcades and at other places associated with such a visit and may be extended at places of temporary domicile in connection with such a visit; and [(8)] *(9)* foreign diplomatic missions located in such areas in the United States, its territories and possessions, as the President, on a case-by-case basis, may direct. The members of such force shall possess privileges and powers similar to those of the members of the Metropolitan Police of the District of Columbia.

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1987: Subcommittee on Treasury Postal Service	13.3	13,293	13.4	[1] 13,410
Projections of outlays associated with budget authority recommended in the bill:				
1987				[2] 12,418
1988				859
1989				66
1990				16
1991 and future year				1
Financial assistance to State and local governments for 1987 in the bill				
	Direct loans		Loan guarantees	
Credit authority estimates, fiscal year 1987				

[1] Includes outlays from prior-year budget authority.
[2] Excludes outlays from prior-year budget authority.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987

[Amounts in dollars]

Item	1986 adjusted	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1986 adjusted	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I - DEPARTMENT OF THE TREASURY							
Office of the Secretary:							
Salaries and expenses	50,975,000	80,084,000	52,642,000	76,000,000	+25,025,000	-4,084,000	+23,358,000
International affairs	22,442,000	---	22,442,000	---	-22,442,000	---	-22,442,000
Federal Law Enforcement Training Center	22,779,000	20,899,000	29,499,000	23,000,000	+221,000	+2,101,000	-6,499,000
Financial Management Service:							
Salaries and expenses	234,102,000	251,117,000	251,117,000	240,117,000	+6,015,000	-11,000,000	-11,000,000
Bureau of Alcohol, Tobacco, and Firearms	167,221,000	178,463,000	190,463,000	193,463,000	+26,242,000	+15,000,000	+3,000,000
United States Customs Service:							
Salaries and expenses	717,000,000	693,000,000	796,000,000	760,000,000	+43,000,000	+67,000,000	-36,000,000
Operations and maintenance, air interdiction program	75,000,000	54,700,000	67,200,000	87,819,000	+12,819,000	+33,119,000	+20,619,000
Customs forfeiture fund (limitation on availability of deposits)	(7,656,000)	(8,000,000)	(8,000,000)	8,000,000	(+344,000)	---	---
Customs services at small airports (to be derived from fees collected)	(75,000)	(365,000)	(365,000)	365,000	(+290,000)	---	---
Total, United States Customs Service	792,000,000	747,700,000	863,200,000	856,184,000	+55,819,000	+100,119,000	-15,381,000
United States Mint	44,500,000	47,808,000	43,508,000	42,508,000	-1,992,000	-5,300,000	-1,000,000
Expansions and improvements	---	694,000	694,000	694,000	+694,000	---	---
Bureau of the Public Debt	186,820,000	218,564,000	218,564,000	198,564,000	+11,734,000	-20,000,000	-20,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

[Amounts in dollars]

Item	1986 adjusted	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1986 adjusted	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Internal Revenue Service:							
Salaries and expenses	89,958,000	95,147,000	95,147,000	92,000,000	+2,042,000	-3,147,000	-3,147,000
Processing tax returns	1,213,769,000	1,262,902,000	1,332,902,000	1,215,000,000	+1,231,000	-47,902,000	-117,902,000
Examinations and appeals	1,427,121,000	1,603,162,000	1,623,162,000	1,530,000,000	+102,879,000	-73,162,000	-93,162,000
Investigations, collections and taxpayer service	1,095,289,000	1,136,581,000	1,196,581,000	1,098,000,000	+2,711,000	-38,581,000	-98,581,000
Total, Internal Revenue Service	3,826,137,000	4,097,792,000	4,247,792,000	3,935,000,000	+108,863,000	-162,792,000	-312,792,000
United States Secret Service	281,358,000	307,140,000	316,800,000	318,000,000	+36,642,000	+10,860,000	+1,200,000
Total, title I, Department of the Treasury:							
New budget (obligational) authority	5,628,344,000	5,950,261,000	6,236,721,000	5,883,530,000	+246,821,000	-75,096,000	-361,536,000
(Limitations)	---	---	---	(8,365,000)	---	---	---
TITLE II - UNITED STATES POSTAL SERVICE							
Payment to the Postal Service Fund	715,836,000	40,049,000	690,049,000	650,000,000	-65,836,000	+609,951,000	-40,049,000
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT							
Compensation of the President	250,000	250,000	250,000	250,000	---	---	---
Office of Administration	14,926,000	16,238,000	16,238,000	15,700,000	+774,000	-538,000	-538,000
The White House Office	23,835,000	25,179,000	25,179,000	24,450,000	+615,000	-729,000	-729,000
Executive Residence at the White House	4,380,000	4,942,000	4,942,000	4,700,000	+320,000	-242,000	-242,000

Official Residence of the Vice President	195,000	211,000	211,000	211,000	+16,000	---	---
Special Assistance to the President	1,717,000	1,849,000	1,849,000	1,790,000	+73,000	-59,000	-59,000
Council of Economic Advisers	2,202,000	2,346,000	2,346,000	2,275,000	+73,000	-71,000	-71,000
Office of Policy Development	2,609,000	2,665,000	2,665,000	2,600,000	-9,000	-65,000	-65,000
National Critical Materials Council	478,000	250,000	250,000	100,000	-378,000	-150,000	-150,000
National Security Council	4,428,000	4,627,000	4,627,000	4,550,000	+122,000	-77,000	-77,000
Office of Management and Budget	35,695,000	39,682,000	34,274,000	37,000,000	+1,305,000	-2,682,000	+2,726,000
Office of Federal Procurement Policy	1,542,000	1,660,000	1,660,000	1,600,000	+58,000	-60,000	-60,000
Unanticipated Needs	957,000	1,000,000	1,000,000	500,000	-457,000	-500,000	-500,000
Total, title III, new budget (obligational) authority, Executive Office of the President	93,214,000	100,899,000	95,491,000	95,726,000	+2,512,000	-5,173,000	+235,000
TITLE IV - INDEPENDENT AGENCIES							
Administrative Conference of the United States	1,369,000	1,559,000	1,559,000	1,369,000	---	-190,000	-190,000
Advisory Commission on Intergovernmental Relations	1,953,000	2,090,000	1,045,000	1,953,000	---	-137,000	+908,000
Advisory Committee on Federal Pay	201,000	229,000	229,000	201,000	---	-28,000	-28,000
Committee for Purchase from the Blind and Other Severely Handicapped	699,000	778,000	778,000	699,000	---	-79,000	-79,000
Federal Election Commission	11,898,000	12,800,000	12,000,000	12,800,000	+902,000	---	+800,000
General Services Administration:							
Federal Buildings Fund:							
Appropriation	6,699,000	---	---	---	-6,699,000	---	---
Limitation on availability of revenue:							
1. Construction & acquisition of facilities	(246,919,000)	(100,000,000)	(160,096,000)	(120,672,000)	(-126,247,000)	(+20,672,000)	(-39,424,000)
2. Repairs and alterations	(269,096,000)	(362,044,000)	(224,720,000)	(304,409,000)	(+35,313,000)	(-57,635,000)	(+79,689,000)
3. Purchase contract payments	(135,100,000)	(143,442,000)	(143,442,000)	(131,442,000)	(-3,658,000)	(-12,000,000)	(-12,000,000)
4. Rental of space	(866,000,000)	(935,100,000)	(935,100,000)	(985,000,000)	(+119,000,000)	(+49,900,000)	(+49,900,000)
5. Real property operations	(709,676,000)	(734,319,000)	(734,319,000)	(753,219,000)	(+43,541,000)	(+18,900,000)	(+18,900,000)
6. Program direction	(55,481,000)	(57,090,000)	(57,090,000)	(57,090,000)	(+1,609,000)	---	---
7. Design and construction services	(133,227,000)	(72,442,000)	(62,951,000)	(62,205,000)	(-71,022,000)	(-10,237,000)	(-746,000)
Total, Federal Buildings Fund:							
New budget (obligational) authority	6,699,000	---	---	---	-6,699,000	---	---
(Limitations)	(2,415,301,000)	(2,404,437,000)	(2,317,718,000)	(2,414,037,000)	(-1,464,000)	(+9,600,000)	(+96,319,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

[Amounts in dollars]

Item	1986 adjusted	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1986 adjusted	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Personal Property Activities, Operating expenses..	155,944,000	170,839,000	170,839,000	160,944,000	+5,000,000	-9,895,000	-9,895,000
General Management and Administration:							
Salaries and Expenses.....	119,289,000	125,374,000	125,374,000	120,289,000	+1,000,000	-5,085,000	-5,085,000
Federal Property Resources Service:							
Operating expenses.....	38,108,000	40,975,000	40,975,000	39,108,000	+1,000,000	-1,867,000	-1,867,000
National defense stockpile transaction fund...	19,020,000	---	5,000,000	5,000,000	-14,020,000	+5,000,000	---
Total, Federal Property Resources Activities	57,128,000	40,975,000	45,975,000	44,108,000	-13,020,000	+3,133,000	-1,867,000
Information Resources Management Services:							
Operating Expenses.....	28,707,000	30,653,000	30,653,000	29,000,000	+293,000	-1,653,000	-1,653,000
Office of the Inspector General.....	18,447,000	21,108,000	21,108,000	20,000,000	+1,553,000	-1,108,000	-1,108,000
Allowances and Office Staff for Former Presidents.....	1,065,000	1,234,000	1,176,000	1,171,800	+106,800	-62,200	-4,200
Total, General Activities.....	48,219,000	52,995,000	52,937,000	50,171,800	+1,952,800	-2,823,200	-2,765,200
Total, General Services Administration.....	387,279,000	390,183,000	395,125,000	375,512,800	-11,766,200	-14,670,200	-19,612,200
National Archives and Records Administration:							
Operating Expenses.....	97,004,000	101,321,000	105,321,000	100,321,000	+3,317,000	-1,000,000	-5,000,000
Office of Personnel Management:							
Salaries and expenses:							
Appropriation.....	95,553,000	99,846,000	99,846,000	96,000,000	+447,000	-3,846,000	-3,846,000

(By transfer)	(100,000)	---	---	---	(-100,000)	---	---
Limitation	(51,871,000)	(55,400,000)	(55,400,000)	(55,400,000)	(+3,529,000)	---	---
Government payment for annuitants, employees health benefits	1,537,100,000	1,469,357,000	1,469,357,000	1,459,000,000	-79,100,000	-10,357,000	-10,357,000
Payment to civil service retirement and disability fund	4,407,234,000	4,619,365,000	4,619,365,000	4,557,000,000	+149,766,000	-62,365,000	-62,365,000
Federal Retirement thrift investment fund	250,000	---	---	250,000	---	+250,000	+250,000
Total, Office of Personnel Management	6,040,137,000	6,188,568,000	6,188,568,000	6,112,250,000	+72,113,000	-76,318,000	-76,318,000
Merit Systems Protection Board:							
Salaries and expenses	19,140,000	20,251,000	20,251,000	19,140,000	---	-1,111,000	-1,111,000
Limitation	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	---	---	---
Office of special counsel	4,396,000	4,640,000	4,640,000	4,396,000	---	-244,000	-244,000
Total, Merit Systems Protection Board	23,536,000	24,891,000	24,891,000	23,536,000	---	-1,355,000	-1,355,000
Federal Labor Relations Authority	16,330,000	17,064,000	17,064,000	16,330,000	---	-734,000	-734,000
Total, federal personnel activities	6,080,003,000	6,230,523,000	6,230,523,000	6,152,116,000	+72,113,000	-78,407,000	-78,407,000
United States Tax Court: Salaries and Expenses	23,500,000	25,538,000	25,538,000	25,000,000	+1,500,000	-538,000	-538,000
Total, title IV, Independent Agencies:							
New budget (obligational) authority	6,603,906,000	6,765,021,000	6,772,118,000	6,669,971,800	+66,065,800	-95,049,200	-102,146,200
(Limitations)	(2,468,572,000)	(2,461,037,000)	(2,374,318,000)	(2,479,002,000)	(+2,065,000)	(+9,600,000)	(+96,319,000)
General Provision							
General reduction	---	---	-142,622,000	---	---	---	+142,622,000
Grand total, titles I, II, III and IV:							
New budget (obligational) authority	13,041,300,000	12,856,230,000	13,651,757,000	13,299,227,800	+249,562,800	+434,632,800	-360,894,200
(Limitations)	(2,468,572,000)	(2,461,037,000)	(2,374,318,000)	(2,479,002,000)	(+2,065,000)	(+9,600,000)	(+96,319,000)